

# BRITAIN'S FIRST MUNICIPAL SAVINGS BANK

by

*The Romance of a Great Achievement*

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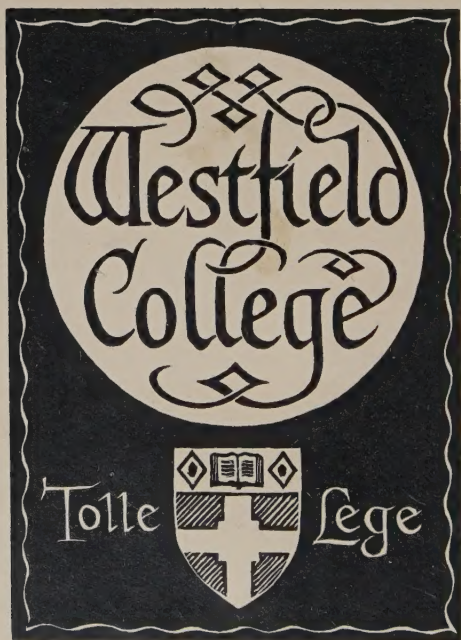
J. P. HILTON



Author .....Hilton, J.P. ....

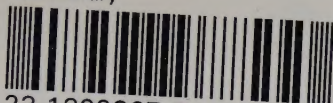
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BRITAIN'S FIRST  
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**BRITAIN'S FIRST  
MUNICIPAL  
SAVINGS BANK**

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# BRITAIN'S FIRST MUNICIPAL SAVINGS BANK

*The Romance of a Great Achievement*

J. P. HILTON

*Fellow of the Institute of Bankers.*

*General Manager, Birmingham Municipal Bank.*

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FOREWORD BY

The Right Hon. NEVILLE CHAMBERLAIN, M.P.

(Minister of Health).



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1927







HEAD OFFICE.  
BIRMINGHAM MUNICIPAL BANK.





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## FOREWORD.

**I**N this little book the enthusiastic and extremely competent manager of the Birmingham Municipal Bank has described its origin, and related its early history. I believe his record will be found to have more than a local or a passing interest. For this latest development of Municipal enterprise has in a short time made such astonishing progress, that it has attracted widespread attention, and there must be many students of social conditions, and of local government, who will desire to obtain a closer acquaintance with its methods, and to trace the sources of its success.

It will be observed that, although for convenience its title is abbreviated, the Birmingham institution is essentially a *Savings Bank*. Its main object is the encouragement of thrift ; its funds are not used for the financing of commercial operations, but are invested in such a way as to give the maximum return consistent with safety and availability to meet its obligations. The fact that the financial relations between the Bank and the Corporation are of service to the latter also is an incidental but not an essential feature of its existence. That section of its functions which is concerned with advancing loans on mortgage, for the purpose of house purchase, is again merely a corollary of its principal object ; it provides facilities for a form of thrift which, as is proved by the marvellous progress of the building societies, offers special attractions for steady wage-earners, as well as for the "black-coated" workers.

Before the establishment of the Municipal Bank, there was no savings bank in Birmingham except the Post Office, and such facilities as were afforded by the joint stock banks. It started, therefore, under peculiarly favourable circumstances. At the same time, I do not think anyone can read

Mr. Hilton's book without coming to the conclusion that it is possessed of some unusual, inherent, vital principle, not to be found in other comparable institutions, however enterprising and well managed they may be. I believe this unique principle is to be found in the fact that it is a *Municipal Bank*. In a great provincial city, with its strong sense of civic pride, its traditions of public service, and its highly-trained and efficient officers, a savings Bank which is part of the local administrative machine, inspires general confidence, and even a sort of affection. It is constantly in the public eye ; it commands the services of the most respected citizens ; the councillors, the clergy, the magistrates, the teachers, the local leaders of every class and creed vie with one another in proclaiming its virtues. It is elastic and adaptable in meeting the needs of the people ; for any defect in administration which hampered its use by depositors, would not be long in coming to the notice of the Committee. Constant advertisement, largely through the medium of other Corporation Departments, and its own numerous branches, familiarises the general public with the opportunities it offers, and no one appears to feel any diffidence about entering a Municipal building which is recognised as having been provided for the convenience of the people.

Reflecting on the contents of these pages, certain questions will naturally arise in the minds of readers. Is this supremely successful experiment to remain unique ? Is Birmingham to have the sole monopoly of this fruitful idea which, in the space of less than eight years has enabled her citizens to accumulate nearly £8,000,000 of savings ? Have we indeed reached the limit of what Municipal enterprise should be allowed to attempt, if we confine it to a single town ? For my part, I would as soon endeavour to imprison a volcano. Not that it would be wise or prudent to give powers like those obtained by Birmingham to any or every local authority. Birmingham has been the pioneer. She has opened up the mine, and driven shafts which reveal the possibilities before us. By skill and prudence she has

hitherto avoided the perils which must beset such operations. Before others, possibly less fortunate or less skilful, try their hands, it would be well to mark the danger spots, and to lay down regulations by which disaster may be avoided. The Departmental Committee now sitting may be expected to give us wise guidance and counsel as to how we are to walk in the future ; and when their report has been received and assimilated, it may be possible to continue the advance.

In the meantime, this romance, as Mr. Hilton has aptly described it, will perhaps serve to entertain, as I am sure it will encourage, Municipal administrators, whose motto, like that of Birmingham herself, is "Forward," and who believe with me that, if we are to live up to our faith, we must not be afraid of creating from time to time a new precedent.

I need only add what Mr. Hilton's modesty would never allow him to say himself, namely, that no one has contributed more to the success of the Bank than its devoted and indefatigable manager.

N. CHAMBERLAIN.

London,

*June, 1927.*





# PART ONE



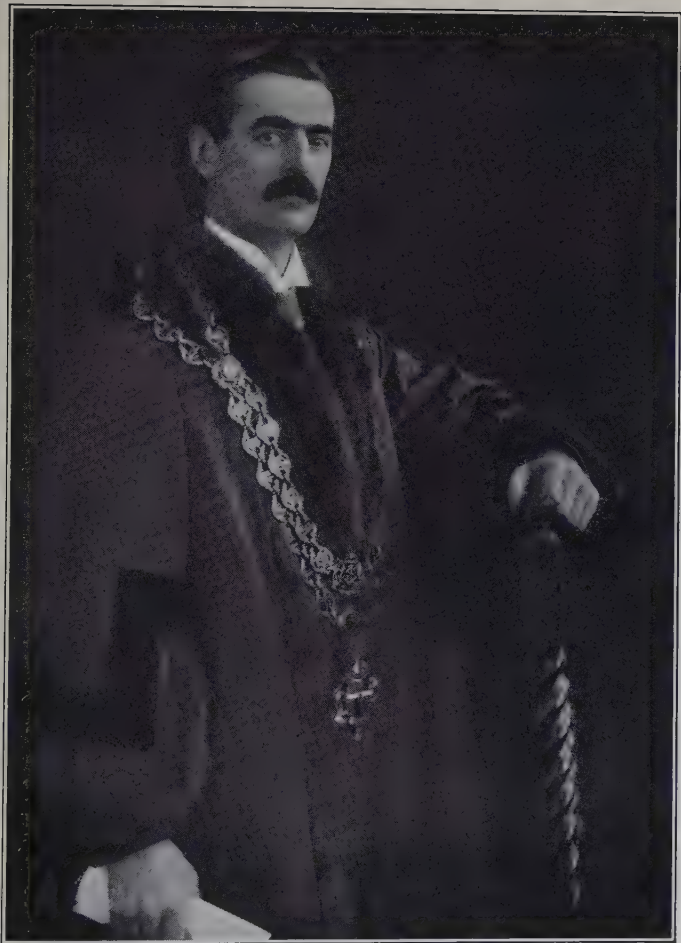


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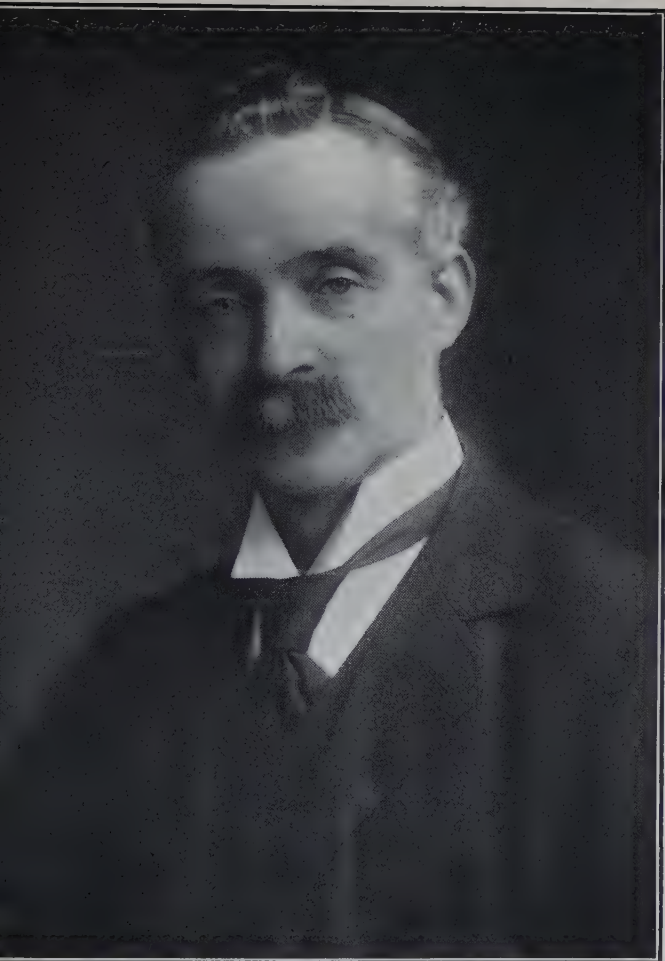
THE RIGHT HON. NEVILLE CHAMBERLAIN, M.P.

*Minister of Health.*

*Lord Mayor 1915-1916.*

*First Chairman of the Birmingham Corporation Savings Bank.*





THE LATE MR. ELDRED HALLAS.

*Member of Committee of Birmingham Corporation Savings Bank.*

*Member of Committee of Birmingham Municipal Bank.*



## CHAPTER I.

### INTRODUCTORY.

#### I.

MUCH has been written about the Birmingham Municipal Bank by people who know little of its aims, and misleading statements have, as a consequence, been made. The object of this book is to place on record an authentic account of the establishment of the Bank and its achievements. To the public generally, who are continually seeking information, the book should be useful, while it will be welcomed by many of our depositors, who have been looking forward to such a publication.

#### 2.

Birmingham, so often described as the Mecca of Municipal Reformers, added one more claim to that title when it decided to establish a Municipal Bank. It has been the pioneer of many municipal enterprises, but not since the days of progressive development, inaugurated by the late Joseph Chamberlain, has Birmingham launched an institution destined to have such far-reaching effects on the lives of its citizens, as the Municipal Bank.

#### 3.

It was appropriate that the Lord Mayor to bring this scheme to fruition should be the son of Birmingham's illustrious citizen and first Freeman, and that it should fall to Alderman Neville Chamberlain to conceive the idea of a Municipal Bank. The Lord Mayor's view, that such a Bank represented the wishes of the people, has been abundantly proved. Not in his wildest dreams could he



have envisioned a bank so large, so successful, as we know it to be to-day.

## 4.

Reading this book will remind one of the difficulties which were surmounted, and demonstrate to the reader that where there's a will there's a way to the Statute Book, even if the path be a troublesome one.

## 5.

What explanation is there to offer for this phenomenally successful Bank? It lies in one word, viz., CONFIDENCE. Confidence of the citizens in the Bank as their own Bank; confidence that their savings are in safe keeping; and confidence in the government of the Bank by their own elected representatives. There have been contributory factors to its success, but CONFIDENCE is the Bank's greatest asset. If democracy is taken to mean government of the people, by the people, for the people, then the Municipal Bank can claim to be democratic, for it is governed by the Municipality, and run for the benefit of the citizens.

## 6.

A Municipal Bank must be a bank of service—service to its depositors and service to the citizens as a whole. It must provide full opportunities to deposit money, and equal facilities to withdraw; it must make itself a convenience to the people, and not expect people to travel long distances to use it. Thus, it must set up branch banks in convenient centres or districts, and make it easy for the citizens to cultivate the habit of thrift. Its motto should be "Service—first, last, and all the time."

## 7.

A Municipal Bank must give equality of service, and make the small depositor with his penny as welcome as the older depositor with his pound; there must be no distinction between the wearer of corduroy and the wearer of cloth. One reason why the Birmingham Municipal Bank is the safe custodian of £7,800,000 of the savings of its

citizens, and why 225,760 citizens are "live" depositors, is because it gives equality of service, and has become the people's friend.

## 8.

Another reason (and it is not without significance) is the awakening of the public to the fact that by husbanding their savings with their own Municipality they can help themselves and help their city at the same time. It is realised that in a Municipal Bank there are no dividends to pay to shareholders, and no directors to remunerate.

## 9.

The success of the Birmingham experiment has, not unnaturally, aroused a desire in many other localities to follow the example, and to give their communities similar advantages. Up to the present, the Treasury has frowned upon proposals for the establishment of other Municipal Banks, which have from time to time appeared in private Bills promoted by other Corporations. But it is clear that an institution which has so plainly received the seal of popular approval in Birmingham, and which has so notably contributed to the encouragement of thrift cannot be confined to a single town. It is interesting, therefore, to note that a Departmental Committee has now been set up by the Treasury to enquire into the desirability of extending powers to other Municipalities, and the conditions which it might be necessary to lay down, should such powers be granted. The public will await with interest the report of the committee, but those of us who have taken part in the development of the Birmingham Bank, do not for one moment doubt that it has been only the pioneer in a movement which is destined to far-reaching extension and development.

## 10.

So long as that development is on sound lines, the citizens of Birmingham will have cause to rejoice at being the proud owners of **BRITAIN'S FIRST MUNICIPAL SAVINGS BANK.**



## CHAPTER 2.

### THE BIRTH OF AN IDEA.

#### 1.

CROSSING Chamberlain Square one memorable day in the dark period of 1915, the Right Hon. Neville Chamberlain, M.P. (then Lord Mayor of the City), has told us that the thought of having a Municipal Bank first flashed across his mind. While it may have been, and probably was, the outcome of previous reflection on the subject, it is certain that the inspiration born that day accounts for his subsequent actions. It may be that the surroundings, named after his distinguished father, urged him on to do the big thing, for we must concede that it was a big thing to which he set his mind and devoted his energies.

#### 2.

Like other heads of Municipalities, Mr. Chamberlain, as Lord Mayor, received constant appeals from London for efforts to be made in connection with various funds to which the public were urged to subscribe for the successful prosecution of the war. All these appeals struck him as being more directed to, and more suitable for, those who were in the habit of investing money in Government securities of one kind or another. He felt that there was no organisation or system of raising funds which particularly appealed to the workers, and thought the opportunity to help their comrades-in-arms and their country should not be denied them. The national war savings certificate had not then been introduced.

#### 3.

Reared in an atmosphere of faith in the Municipality, Mr. Chamberlain was convinced that civic pride existed

amongst the populace, not only in Birmingham but elsewhere, and his conviction led him to conclude that a Municipal Bank would, by its name and definite contact with the Municipality, appeal more strongly than any other scheme. Two objects appear to have been in his mind at that time, viz., (1) the provision of machinery for the collection of small contributions towards the successful prosecution of the war, and (2) the provision of a reserve for those contributors which would help them during a period of industrial depression, which it was thought might arise when the war was over.

## 4.

Realising the necessity of carrying with him working-class opinion, Mr. Chamberlain's first thought was to consult the local Trade Unions; and, accordingly, he summoned a meeting, at which he described the idea, which he had in his mind, and asked them to give him their considered opinion as to whether it was deserving of support. An essential feature of the scheme, as outlined at that time, was the deduction of savings weekly from wages by employers, in accordance with a resolution to be passed by the workers themselves. This, and other features of the scheme, were discussed at the first meeting, which was followed by further conferences with the leaders, prominent amongst whom must be mentioned Councillor Eldred Hallas and Councillor Joseph Gregory (secretaries of the Amalgamated Society of Gas, Municipal and General Workers), and Councillor John Beard (president of the Workers' Union). Not only did they welcome the suggestion of the Lord Mayor with enthusiasm, but they were prepared with suggestions for carrying it out; and Councillor Hallas, in particular, submitted in December, 1915, a plan for collecting deposits by means of coupons, which was subsequently adopted, and is described in a later chapter of this book.

## 5.

The scheme was discussed with prominent members of the City Council, amongst whom must be named Coun-

cillor C. T. Appleby, a chartered accountant by profession, and a gentleman destined to take a very prominent part in the work of the Bank. The scheme was also examined by leading bankers and other financial experts, notably Sir William Schooling, whose work in connection with the national war savings certificate scheme is so well known. The criticisms offered were fair and, indeed, helpful—no attempt was made at destructive criticism.

## 6.

Convinced that he was in the right, Mr. Chamberlain brought the scheme formally before the Finance Committee, who reported to the City Council on the 4th April, 1916, in the following terms :—

The necessity of reducing all expenditure that does not conduce to the winning of the war and of placing the savings made thereby at the disposal of the State has been impressed upon the public by many speakers and writers during the last few months.

The various war loans and Government securities have offered ample opportunity for the ordinary investor, and the Post Office Savings Bank and the schemes prepared by the Central Advisory Committee on war savings provide ways whereby the person of small means may accumulate his savings and at the same time help the national cause.

There is, however, a large number of people who have never acquired either the desire or habit of saving, and no plan hitherto suggested seems exactly to fit their case.

It has been suggested to your committee by the Lord Mayor that the Corporation would be serving a useful purpose if they could induce this type of man to place a portion of his earnings at the service of the State, and in so doing to learn the satisfaction and acquire the habit of saving. The committee most cordially support this view, and have given careful consideration to a scheme that the Lord Mayor has placed before them.

The scheme is intended to appeal to people who would not be attracted by the proposals of the Government. It is open to the employees in any factory, shop, or office in the city, and it depends for success on the goodwill of the workpeople and the co-operation of the employers and the banks. The main principle is that the Corporation should open a savings bank in which workpeople can make deposits derived by deductions from their wages. The money will be invested with the Government, but the scheme differs from other proposals in the

fact that depositors may withdraw their money at any time without loss of principal or interest.

The scheme cannot come into operation until statutory powers have been obtained by the Corporation, but your committee trust that the Government will shortly obtain from Parliament the necessary authority.

The intimate connection that the Corporation will have with the scheme will secure a driving force that could not be secured in Birmingham through any other agency, and will give more prospect of success than if the scheme depended on the advocacy of any outside body.

The interest of the Lord Mayor will, it is believed, secure the adhesion of all classes, and will promote smoothness and continuity in the working.

With so many societies and committees in existence, the avoidance of the formation of any further associations is to be desired. Time, labour, and expense will be saved, and the bank will have a status that could not be secured by any ordinary club or money society, and will meet with more confidence.

To the Corporation there is no direct advantage, but very little risk. There will be some additional labour, but if those of the working-classes who are now spending practically all their earnings can be induced to save a portion of them by means of this scheme, undoubtedly the city will stand to gain after the war, when employment may be irregular.

In addition, this scheme might become a permanent part of municipal administration, although it is now only suggested as a war-time expedient, and it must exercise a highly beneficial effect in educating people who have never saved before to a sense of the value of making provision for the future.

## 7.

The scheme referred to provided that the Corporation should open a savings Bank and receive deposits from employed persons, associations or societies. Interest at the rate of  $3\frac{1}{2}$  per cent. was to be allowed on deposits and arrangements were to be made for approximately 80 per cent. of the amounts received into the Bank to be invested in Government securities. The method of saving was to be by deduction from wages, coupons representing the value of the deduction being paid with wages.

## 8.

The Council approved the scheme and appointed a



special committee to bring it into effect, such committee consisting of :—

The Lord Mayor (Alderman Neville Chamberlain, J.P.).  
Alderman J. H. Lloyd, J.P.  
Alderman T. O. Williams.  
Councillor C. T. Appleby.  
Councillor J. Beard.  
Councillor E. Hallas.

Promises of help and co-operation in the scheme were tendered by the managers of joint stock banks in the city, and the approval of the Central Advisory Committee on war savings was obtained.

9.

So far as the city was concerned, everything was now ready to begin ; but before a start could be made, legislative sanction was necessary, for, up to this time, no municipality had any statutory authority to set up a savings Bank. From the beginning, the idea of the Lord Mayor and his colleagues had not been to confine their proposal to Birmingham. On the contrary, they believed that they had discovered a plan capable of wide application throughout the country, and likely to attract working-class savings, which, with the high wages then current, might easily reach a considerable volume, to the support of the war, on the successful termination of which the national existence depended. The Lord Mayor, accordingly set himself to obtain the approval of the Government for the Birmingham plan, and with this view he applied to the late Mr. Edwin Montagu, who was at that time Financial Secretary to the Treasury. Mr. Montagu listened with interest to the proposals, which soon won his warm approval and support, as well as that of his chief, the then Chancellor of the Exchequer. It was at first thought that the necessary powers might be given by inserting a clause in the Local Government Emergency Provisions Bill, during the

committee stage ; but, as this could not be arranged, a special Bill was drafted and introduced by Mr. Montagu into the House of Commons, on the 11th day of April, 1916.

## 10.

This Bill authorised local authorities having a population of 50,000 or over to establish Municipal Savings Banks with the object of facilitating the investment of savings in securities issued for the purposes of the war. These Banks were not to be carried on for a period longer than the last date fixed for repayment of any of the securities in which the funds were invested.

## 11.

The way now seemed clear to success, and the hopes of Birmingham rose high. Unhappily, however, the joint stock banks took fright at the introduction of the Bill, which, rightly or wrongly, seemed to them to be an alarming excursion into a field of which they had hitherto had the sole occupation. So hotly and effectively did they press their objections that, with the cares of other business on their shoulders, the Government did not feel able to proceed with their Bill ; which was, accordingly, dropped in the course of the summer.

## 12.

The disappearance of the Bill was indeed a disaster, and with it seemed also to have disappeared all hopes of the possibility of establishing a Municipal Savings Bank. The Lord Mayor, however, was not to be discouraged by such a rebuff. He set himself to see the representatives of the joint stock banks, and to endeavour to meet their objections by concessions as to the form and scope of the powers to be given to local authorities. Conferences took place with Mr. Vassar Smith, chairman of Lloyds Bank, and Sir Edward Holden (head of the London City and Midland Bank), both of whom were represented on the Clearing-House Committee, and, at the same time, renewed negotiations were carried on with the Treasury and the Local

Government Board. Mr. Chamberlain was at last able to announce to the Treasury that all difficulties had been removed ; and Mr. McKinnon Wood, who had succeeded Mr. Montagu at the Treasury, introduced a new Bill into the House of Commons on the 12th day of July, 1916, which was the fruit of these various parleys.

## 13.

This second Bill was much more restrictive in its provisions than the first Bill ; thus we find that it applied only to local authorities having a population of 250,000 or over, instead of 50,000 in the original Bill. Then there was a definite restriction in respect of deposits being accepted from employed persons only, either by way of deductions from wages or otherwise ; a limit of £200 as the maximum which a depositor might accumulate in the Bank ; investment of funds controlled by the National Debt Commissioners ; earning capacity of invested funds controlled by the Treasury ; withdrawals on demand limited to one pound, and lastly, the Bank's life limited to three months after the termination of the war.

## 14.

The second reading took place on the 15th August, 1916, the committee stage was passed, and the Bill read a third time in the House of Commons on the 16th August, 1916. Opposition was raised on the third reading, but not sufficient to challenge a division. In the House of Lords opposition was encountered in the committee stage, but the Bill ultimately emerged, and the Royal Assent was given on the 23rd August, 1916.

## 15.

Thus, at last, Parliamentary approval was given to the principle of Municipal Banks, and another break made with tradition. To say the result was largely due to the efforts of Mr. Chamberlain would only be paying a mild compliment. Had it not been for his perseverance and

persistence, the day of Municipal Banks would not have arrived. Tribute must also be paid to our local trade union leaders who had supported the Lord Mayor throughout.

## 16.

Although the battle had been won, it was not without cost ; the price of victory was a series of concessions which had been made to the fears of the joint stock banks, and which, if they did not stifle, certainly seriously hampered the growth and development of the infant Bank. Moreover, regulations which, in accordance with the Act, had been drafted by the Treasury, allowed very little elasticity. It will be seen in the later chapters how seriously these provisions militated against the free growth of the Bank.

## 17.

The next step was to find offices for the Bank, and obtain the necessary coupons and other printed books and forms. The accommodation provided consisted of a small portion of the semi-basement premises occupied by the service-laying section of the water department. But what accommodation it was ! Imagine a counter, some five yards long, with a screened-off portion of the office behind measuring some nine feet by five feet, and you have an idea of the first Head Office of this great Bank. The National War Savings Committee agreed to supply the coupons, coupon cards, etc.

## 18.

The committee met on the 8th September, 1916, and appointed a manager, their choice falling upon the writer, who held several public appointments in West Bromwich, and who had had experience with the system worked by the Yorkshire Penny Bank. Arrangements were made so that the writer was able to take up his duties on the 18th September, 1916.

## 19.

The Council having approved the rules, the committee decided to open the Bank on the 29th September, 1916, fixed the hours of business, and circularised employers and others.

## 20.

The pace was fast during those eleven days prior to the opening ; our American cousins would have said it was "some hustle." On the 22nd September it was announced that circulars had been despatched to 2,350 employers, and that coupons would be to hand the following day. Then, commenced a whirlwind campaign in works, factories, clubs, offices, or any other place where workers could be gathered together.



## CHAPTER 3.

### THE WHIRLWIND CAMPAIGN.

#### I.

ONE serious difficulty remained, viz., the objection of the workers to a scheme which brought their employers into the arrangements in so prominent a manner. There was a natural impression that an employer might take advantage of his knowledge that a workman was a depositor in the Bank, and it was with a view to destroying what Councillor John Beard described as "this everlasting suspicion" that a propaganda campaign was started in factories, works, offices, etc. Headed by the Lord Mayor, members of the City Council and other enthusiastic citizens "flooded" the city with their oratory, explaining the Bank scheme and exhorting the workers to practise thrift. Morning, noon and night, at all hours, and in all weathers, these campaigners sallied forth. Their enthusiasm even extended to addressing workers in the middle of the night.

#### 2.

Workers became enthusiastic ; employers caught the infection, and a real keenness was the result. No obstacle was placed in the way of addressing gatherings of workers which were often held in the employers' time. It was necessary to hold these meetings and explain the scheme because of the long delay which took place in obtaining powers and owing to the scheme being altered in many important parts. One cannot express in too high terms the great service rendered by the employers in this connection. So enthusiastically was the scheme taken up that the demand for speakers was overwhelming. When the reader is told that over 1,000 meetings took place in



respect of this scheme, it will be agreed that the Bank was a "live" topic in Birmingham.

## 3.

As for the speakers, their response to the call was splendid. It was in this capacity that the late Mr. Eldred Hallas rendered most valuable service. At that time he was a member of the Council and took a very active part in the campaign, together with Alderman W. E. Lovsey, J.P. These two public representatives between them addressed over 500 meetings. It was at this stage that Alderman Lovsey was invited to collaborate with the Bank Committee, but he could not be formally elected to the committee because it was limited by rule to six members.

## 4.

Let us follow Councillor Hallas in this campaign, and see the line he took. He was always pointing out the moral of previous wars and prophesying with almost uncanny correctness what would happen again. Quoting from a report of a meeting he addressed at the works of the Birmingham Small Arms Company, we find him saying :—

Since the year 1872 booms and slumps have followed each other every eight or ten years, and we were just heading down into a commercial slump when the war broke out, and at once abnormal conditions came into being. Since then there has been as much work as anybody wanted, and it is likely to continue while the war lasts ; but when the two and a quarter millions of people engaged in munitions are no longer so employed what is going to happen ? In addition to the many hundreds of thousands of men and women, boys and girls, who will no longer be required for munition work, we shall have four million men coming from the Army and Navy to swell the ranks of the unemployed.

We do not know when the inevitable slump in trade will come. If we take the example of the last war, which was only a very small matter compared with this (I refer to the Franco-Prussian War) there was a period of three years during which commerce flourished ; then came the slump with its awful unemployment and its corollary of soup kitchens. Now, I am not an alarmist, but I know what the working man's trials are. I have lived through hard times, and I do not want you to wait until the soup kitchen period comes before we wake up. Now is the time for us to make provision for the future.

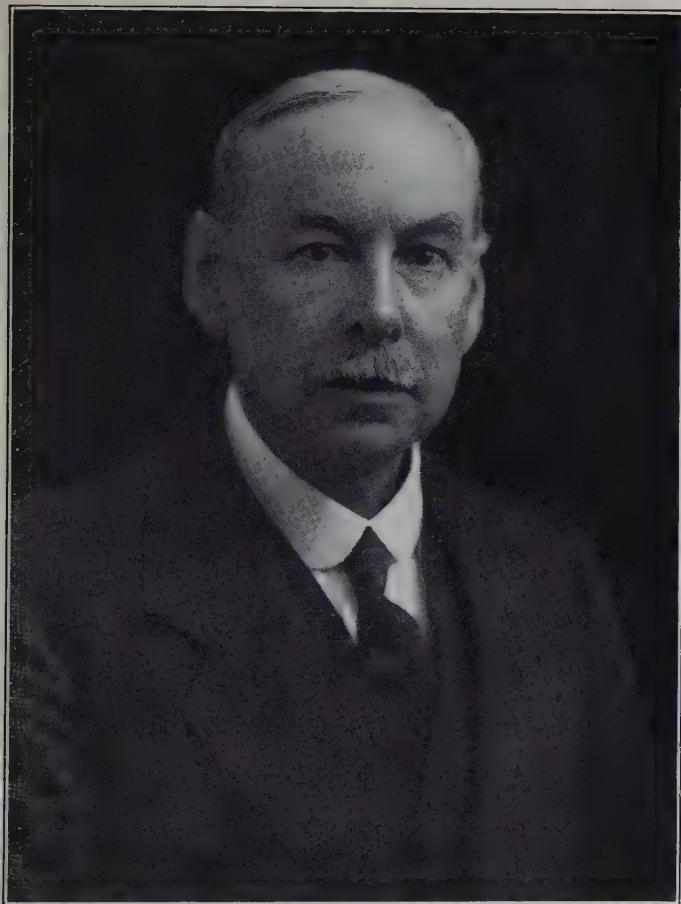


Photo by H. J. Whitlock & Son.

THE LATE COUNCILLOR C. T. APPLEBY, J.P.

*Member of Committee of Birmingham Corporation Savings Bank.  
First Chairman, Birmingham Municipal Bank.*





Photo by Mr. Percy Wynne.

MR. J. P. HILTON.

*Manager of the Birmingham Corporation Savings Bank.  
General Manager of the Birmingham Municipal Bank.*



This war is not re-productive—it is wasteful. We are blowing millions of pounds into the air and sinking millions in the sea. Some say, "Look at the work it will cause in re-building." Now, if you think that to be sound economics, when you go home get an axe and smash the piano, and then ask your wife how much better off you are after you have smashed the piano.

Social reformers have had municipal banking as one of the items on their programme for many years. We know the advantage that will accrue from it. We want the community to have the community's money to use to the advantage of the community. We don't want always to pay 3d. for a 1d. cake.

We ought to establish a Municipal Bank that will be permanent in character for the interests of the community. We have got the skeleton of a Bill, and it is up to the working men and women of Birmingham to see that this skeleton is clothed with the raiment of success. Then we can go to the House of Commons and say, the working men and women have made this scheme so great a success that you must not shut the bank down ; you must extend its life ; it must be a permanent institution.

After explaining the details of the saving scheme, Councillor Hallas added :—

Yes, that is all very well, but when the average working man listens to someone on the stump, he usually says, "I wonder what this bloke is getting out of it?" I am getting less than nothing an hour ; this is about my fiftieth meeting and it takes up a lot of time. I am doing this in the interests of the class I love ; in the interests of the class for which I have been working for over thirty years. I know the time is coming when you will want some money ; now is the time to get ready for it. We do not want you to be only one week removed from the workhouse when this business is through.

I know there are hundreds of men—thousands of men—in England, who, if they would, could save more now than they used to earn before the war. They are not getting too much, but I do say they have a serious responsibility.

When the war is over and our men come home with nothing in their pockets—and you cannot expect them to have anything either—and no job for them to do, can you allow them to enter your houses to a bare cupboard and an empty larder ?

That address is typical of hundreds he gave on the Bank. He never tired in urging his hearers to take full advantage of the Bank while they had the chance.

##### 5.

Alderman Lovsey's popularity at these meetings was only too evident ; requests came to hand both from

employers and workers for his presence. Was it his humour? Was it the tales he could tell? Or was it his cheery optimism during these dark days, which created the demand? One recalls the numerous occasions on which Alderman Lovsey went to the works of Messrs. Kynoch at Witton, to the delight of the workers (especially the women workers) and persuaded them to save. The strong position of the branches of the Bank in the Aston, Lozells, Witton and Handsworth districts is in no small measure due to his pleadings in the days of 1916-1917, resulting as they did in a good depositorship for the permanent Bank of 1919.

## 6.

The Lord Mayor (Alderman Neville Chamberlain) would not be kept out of these excursions and addressed many works meetings with much fervour. On one occasion in particular he told a very large gathering how valuable the Bank would be to them, and ended by saying:—

Though under existing powers the Bank has to be wound up three months after the termination of the war, I promise you that if it is really shown to meet a need, not all the bankers in Lombard Street will prevent its becoming a permanent part of the municipal undertaking.

This declaration “brought down the house,” so to speak. If there is one thing a British working man likes it is a fighter, and that was a fighting speech.

## 7.

Many members of the City Council and other public representatives addressed works' meetings, despite the demands of their own businesses, and did not spare themselves in exhorting the citizens to take full advantage of the facilities of the Bank. An idea of the strenuous times through which the writer passed can be formed when it is recorded that in addition to managing the Bank, arranging the meetings, accompanying speakers on numerous occasions, he addressed over 300 meetings.

## 8.

Enthusiasm was certainly present in the speakers. What of their audiences? Well, they appeared in different



moods. At first suspicious ; then doubtful ; then thoughtful ; and finally enthusiastic.

## 9.

An instance of genuine support from a recognised Labour leader is shown in the following letter from Mr. W. J. Davis, who was for many years the secretary of the National Society of Brass and Metal Mechanics :—

All workers are indebted to our Lord Mayor (Alderman Neville Chamberlain) for his great efforts in establishing by Act of Parliament our Corporation Savings Bank. It is, I am glad to know, going well. Its advantages to the investors are considerable, and, in addition to obtaining an increased rate of interest, it brings men and women into municipal life, and its success will help the country in the hour of its need.

The Lord Mayor did all he could to obtain broader powers for Municipal Banks, and if in Birmingham we make a success of the undertaking, the City Council will be more encouraged to obtain, if possible, an early amendment of the Act.

I hope and recommend that all will save a little money weekly, and give consent in this particular instance to those for whom they work to join the scheme on their behalf. The security is as safe as the Bank of England.

## 10.

Another instance was afforded by Alderman J. V. Stevens, J.P., for many years the highly respected secretary of the Birmingham Operative Tin-Plate Sheet Metal Workers' and Braziers' Society. On the last appearance of Alderman Neville Chamberlain as a member of the City Council, Alderman Stevens took occasion to express in feeling terms his appreciation of the valuable services rendered by Alderman Chamberlain in fighting for the establishment of the Bank. The sincerity of that speech could not be mistaken, and one knew that Alderman Stevens was voicing the feeling of the workers.



## CHAPTER 4.

### THE COUPON METHOD OF SAVING.

#### 1.

**T**HE stamping of insurance cards, to which practice the workers had become familiar, gave Councillor Hallas the idea of a coupon method of saving. He seized upon this familiarity in developing his scheme.

#### 2.

Coupons with gummed backs, approximating in size to a postage stamp, and representing the value of one shilling, were introduced. Supplies of these coupons were distributed to all the joint stock banks. The worker filled up the necessary form of authority for the payment of a certain value of coupons as part wages, and handed the form to his employer. The employer, when presenting his wages cheque at his bank, would state the value required in coupons. The worker would receive his coupons with cash, as wages, and would place the coupons on a coupon card which he could obtain from his employer.

#### 3.

The coupon card was provided with twenty spaces in which coupons were to be placed, and when full would represent the value of one pound. At this stage the worker would bring the coupon card to the Bank, have the amount entered in a pass book bearing his name, and thus be registered as a depositor. He would also receive a new coupon card for future use, on his next visit to the Bank he would bring his pass book and the second completed coupon card

and so the process would be repeated. The scheme was really very simple, so simple that Councillor Hallas was led to describe it as "just as easy as falling out of bed in a 'Zepp' raid." It sometimes happened that an incomplete coupon card was presented, because the money represented thereby was urgently required. These incomplete cards were accepted and dealt with in just the same way as completed cards.

## 4.

In some cases employers found the bookkeeping in connection with the scheme too laborious, and commenced to sell the coupons to their workers instead of paying them as part wages. At one time these coupons could be purchased at thirty-six different places in the works of Messrs. Kynoch. This practice increased amongst employers, and ultimately led to branch Banks being set up in different works, to which reference is made in a subsequent chapter.

## 5.

The Bank had not been long established before requests were made for coupons of a higher denomination than one shilling. Many workers felt they could save several shillings each week, and by introducing a larger denomination there would be less "licking" of the gummed backs. These requests were met by coupons of a distinctive design of the value of five shillings, and subsequently by coupons of one pound, half-a-crown, and sixpence. To introduce the sixpenny coupon we had to go through the farce of amending the rules.

## 6.

Testimony has been paid to the enthusiasm of employers and workers, but it must not be forgotten that a third party was necessary to make the scheme a success, this third party being the joint stock bank.

## 7.

Coupons were distributed to employers with good grace. Only at the end of the day, perhaps, when a cashier was delayed in arriving at his balance owing to the waywardness of a coupon, would imprecations be levied against the system ! In this respect the joint stock banks were not alone ; we experienced the same trouble, and probably said as much. These "sticky" coupons would occasionally secrete themselves at the back of a drawer, or float off into a convenient waste-paper basket or other improper place, cause a loss of time, and "ruffle" a cashier. Still, it was taken as "part of the game."

## 8.

Valuable help was rendered in these early days by Mr. Hickling, the manager of Lloyds Bank, New Street, and his principal assistant (Mr. Mellor), and also by Mr. Clough of the Yorkshire Penny Bank.

## 9.

Whatever feeling against the Bank may have been exhibited elsewhere, there was no feeling against it so far as Birmingham bankers were concerned. An instance of this is disclosed in a letter from the late Mr. A. Ashton Smith, for many years the highly respected manager of the Midland Bank, New Street, who had been closely associated with the work of the Municipal Bank. On his retirement the following letter dated the 30th July, 1923, was received :

Dear Mr. Hilton,

I am very pleased indeed to receive your most kindly expressed letter with regard to my retirement, and I am glad to know that, through my membership of the Birmingham Advisory Board of the Bank, my association will not be entirely severed.

I am especially gratified for your generous reference to such assistance that I may have been able to give you in connection with the Bank, whose affairs you have so ably conducted, and I would take this opportunity of congratulating you on the success attained by the Municipal Bank, in the early stages of which,

both in its formation and establishment, I was, together with my late chairman, Sir Edward Holden, much interested.

Again thanking you for your good wishes.

Believe me,

Yours very sincerely,

A. ASHTON SMITH.

10.

The joint stock banks materially contributed to the success of the temporary Bank, and helped to pave the way for the permanent institution of to-day.

## CHAPTER 5.

### PRIZE SCHEMES.

#### 1.

THE unreasonable delay experienced in obtaining powers to set up the Bank was a great handicap at the outset. Those workers who had been enthusiastic in 1915 were disappointed and not so keen in 1916. Anticipating such would be the case, Mr. Chamberlain and other prominent citizens placed sums of money with the editor of the *Birmingham Mail* to be drawn for as prizes at the end of the war, the idea being to encourage the workers to save at a keener rate and thus make up for the delay.

#### 2.

The editor of the *Mail*, who was responsible, announced on the 23rd September, 1916, the conditions which would attach to the "draw" as follows :—

1. Distribution of prizes to take place three months after the termination of the war.
2. Every depositor will be eligible for a prize who—
  - (a) is on the books of the Bank at the time of distribution ;
  - (b) has been on the books at least six months ;
  - (c) has saved an amount proportionate to the time the Bank has been in existence at the time of the "draw," viz. :—

If the Bank has existed 6 months, £1 os. od.  
If the Bank has existed 9 months, £1 10s. od.  
If the Bank has existed 12 months, £2 os. od. and so on ; 10s. being added to the amount which must have been saved for every three complete calendar months that the Bank has existed.
3. Any depositor who has joined or joins any unit of H.M. Forces and who is in consequence unable to continue his or her deposits, shall, on notifying the Bank to that effect, be registered in the books of the Bank, and be eligible for

participation in the "draw," provided always that at the date of the "draw" the amount standing to his or her credit in the Bank shall be no less than would have been required to qualify him or her at the date of joining the Forces.

## 3.

Even those who regard "the sporting instinct" as a device of the Evil One, can hardly fail to admire this ingenious scheme for encouraging thrift. It was so drafted that no class of worker using the Bank would be debarred from participating. It excluded nobody who worked for wages, thus the cook or the policeman, the butcher or the baker, the postman, the clerk, the artisan, the labourer, the dustman, the shop assistant, the typist, the factory girl—all were equally invited to save and take their chance of winning a prize.

## 4.

There was no desire on the part of the donors of the prizes that the inducement to save should be such as might tempt a man to deprive his family of necessities, and to secure that this should be so, the low qualifying minimum amount, referred to above, was fixed. There is no doubt the attractiveness and fairness of this scheme had the effect of enrolling many who were hesitating as to whether or not they should join the Bank.

## 5.

The announcement of the *Mail* prize scheme was the signal for many similar schemes to be inaugurated by employers in respect of their own workmen. Some kept closely to the conditions laid down in the larger scheme; others made their own conditions. Some employers granted a percentage on the amount saved, while others distributed monthly gifts of coupons to their workpeople who had complied with their special conditions.

## 6.

A valuable contribution in this respect was made by the Birmingham Rotary Club. Addressing the members of



the club at their weekly luncheon on the 5th February, 1917, the writer made an appeal for their co-operation in making the Bank scheme a success. A discussion took place which demonstrated that the members were in sympathy with the aims of the Bank, and felt that if a "draw" could be arranged for an early date it would do much towards increasing the depositors.

## 7.

The Rotary "wheel" was passed round and resulted in promises of a substantial sum for the purpose, and on the proposition of Mr. Matthias Watts the following resolution was adopted :—

That with a view to encouraging the workers of Birmingham to do their best to ensure the success of the great Victory Loan, a mass meeting of the depositors in the Corporation Savings Bank be held in the Town Hall at Easter, under the auspices of the Rotary Club, when a drawing will take place for prizes amounting to about £75, to include a gross lot of £50 ; every worker who has deposited £1 by that date will participate in the drawing.

Mr. Watts said the Bank had been the means of bringing capital and labour into closer contact, and that as a club, they should assist in such a movement. They could say to the workers "Stop building Mugs' Row ; begin to build your own cottage."

## 8.

The first of the public prize "draws" in connection with the Bank took place on the 25th April, 1917, under the auspices of the Rotary Club. It aroused considerable interest amongst depositors and the public generally.

## 9.

Long before the advertised hour for the proceedings to commence, queues of depositors began to form round the Town Hall (which had been kindly lent by the Lord Mayor for the occasion), and when the doors were opened there was a fine display of pass books, for the pass book acted as a magic entrance ticket to the Hall.

## 10.

The President of the Club, Mr. H. O. Worrall, presided over the gathering, and was supported by Messrs. Wilfrid Hill and John Weatherhead (past presidents), Mr. Matthias Watts, Mr. O'Shaughnessy (secretary to the Club), Councillors Appleby, Beard and Hallas, and others.

## 11.

On the 31st October, 1919, the Town Hall, which the Lord Mayor once again permitted to be used, was packed with depositors anxious to know the result of the *Birmingham Mail* prize scheme. The Right Hon. Neville Chamberlain, M.P., presided, and was supported by several of the donors of prizes, members of the City Council, and others. Mr. Chamberlain recapitulated the history of the Bank, and explained the origin of the prize scheme. If the scheme was considered a lottery, it had, in his opinion, at least the saving grace of being a lottery in which no one could lose. "The Bank is now established on a permanent basis and I shall always be proud of having been associated with a movement of the greatest value to the workers," said Mr. Chamberlain.

## 12.

Mr. H. F. Harvey (Editor of the *Mail*), who had charge of the arrangements, read a statement of the prize fund, certified by a firm of chartered accountants, showing the amount to be distributed to be £378 10s. 10d., and announced how the "draw" would be conducted.

## 13.

The "draw" illustrated the vagaries of figures: for instance, No. 5003 corresponded to 15003 in the register. A little later the same combination of figures occurred in 0305, and as if to complete the coincidence 0305 was drawn later on, but as the rules debarred anyone from winning two prizes another drawing took place in this last instance.

## 14.

Shakespeare asked, "What's in a name?" The cynic may reply, "There's a good deal in it when it appears on a cheque." Anyway, one might be tempted to believe there is luck in certain christian names, and this particular "draw" would support such a belief. What, for instance, is the exact value in pounds, shillings and pence of the name "Leonard"? That name figured in the first and second prize-winners, and also in a later case, so that three men, who rejoiced in the cognomen, were fortunate. Five times the name of "William" figured in the list, and amongst the ladies the lucky name appeared to be "Florence," for it occurred five times amongst the winners.

## 15.

At the conclusion of the *Mail* prize drawing, Mr. Harvey acted in a similar capacity in respect of prize schemes for the employees of several private firms.



## CHAPTER 6.

### THE BANK COMMITTEE, 1916-1918.

#### I.

ADDRESSING the City Council on his re-election as Lord Mayor on the 9th November, 1916, Alderman Neville Chamberlain said :—

Among the events of the past year there is none that has given greater personal satisfaction to me than the establishment of a Municipal Bank. A somewhat factious opposition brought about a serious delay which was not only the cause of a totally unnecessary loss of time, but also deprived us, I think, of the co-operation of certain other large towns which did not wait until the Act was passed, but started different methods of inducing their workers to put savings on one side. In spite of this unfortunate delay, in spite of the hampering restrictions inserted in the second Bill—especially the one providing that the Bank should be wound up within three months of the termination of the war—I believe the experiment we are making will prove the foundation of further and more enlightened legislation, and that ultimately it may be found to have a far-reaching influence on local government. In this connection I wish to thank all who have assisted me in the work, and especially Councillor Hallas, whose energy and influence has helped in an exceptional degree.

#### 2.

The Council at the same meeting re-appointed the original Bank Committee, with the Lord Mayor as chairman.

#### 3.

At the end of the year 1916 the Bank suffered a serious loss. The Lord Mayor, summoned by the Prime Minister (Mr. Lloyd George) to take charge of the new Department of National Service, yielded to the call of duty, and resigned his Municipal office. One recalls visiting Alderman Chamberlain in the Lord Mayor's parlour on Boxing Day, and talking over with him the future of the Bank. It was

easy to see he was torn with conflicting emotions ; his own inclination being to remain in Birmingham, where he was happy in his work and where he could continue to look after the Bank. But this new appointment had been put to him in such a way by the Prime Minister, that it left Alderman Chamberlain no alternative.

## 4.

Just at a time when the Bank needed help most it was bereft of its chairman, but from a letter sent to the succeeding Lord Mayor (Alderman A. D. Brooks) it was clear that Alderman Chamberlain did not look upon this severance from the Bank as permanent. In this letter he said :—

My interest in the Bank remains unabated, although I am, for the time, unable to take further part in its administration.

## 5.

The new Lord Mayor felt it to be necessary that the head of the Municipality should also be the head of the Bank, particularly at that critical stage, and his prompt acceptance of the position helped to retain confidence amongst depositors.

## 6.

Alderman Brooks came in for a very heavy time, particularly in respect of the food problem, and had to devote his energies to that vital matter. His organisation of the food supplies for Birmingham, and the rationing system he was mainly instrumental in introducing and working so successfully, kept him very busy. For the valuable services he rendered to the city in this and other directions he received the honour of knighthood. He was able, however, to rely upon Councillor Appleby to help him in regard to the Bank, and splendidly did this combination work.

## 7.

On the 9th November, 1917, the Council appointed the Bank Committee as follows :—

The Lord Mayor (Alderman A. D. Brooks)  
Alderman J. H. Lloyd, J.P.  
Alderman T. O. Williams  
Councillor C. T. Appleby.



Photo by Mr. Percy Wynne.

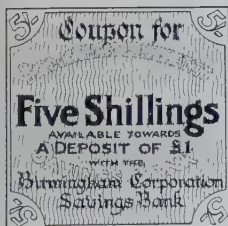
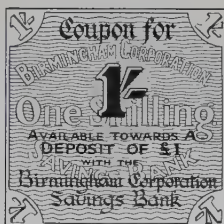
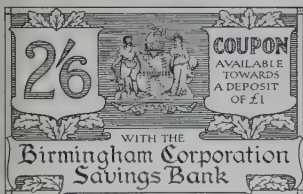
**ALDERMAN W. E. LOVSEY, J.P.**

*Member of Committee of Birmingham Corporation Savings Bank.*

*Member of Committee of Birmingham Municipal Bank.*







Types of Coupons used in the Birmingham Corporation Savings Bank.



Councillor J. Beard.

Councillor E. Hallas.

the Lord Mayor continuing as chairman.

8.

In June, 1918, Alderman Chamberlain, who had, in the preceding year, resigned his position as Director-General of National Service, again became associated with the Bank, and in September, 1918, steps were taken to amend the rules so as to admit of an increase of two in the membership of the Bank Committee, and the necessary approval having been obtained, the Council at its meeting on the 9th November, 1918, appointed the committee as follows :—

The Lord Mayor (Alderman A. D. Brooks).

Alderman Neville Chamberlain.

Alderman J. H. Lloyd, J.P.

Alderman W. E. Lovsey, J.P.

Alderman T. O. Williams.

Councillor C. T. Appleby.

Councillor J. Beard.

Councillor E. Hallas.

The Bank Committee at its first meeting appointed Alderman Chamberlain as its chairman.

9.

Councillor Hallas, having been elected a Member of Parliament, resigned from the Council, but was in due course elected to the Bank Committee as a non-Council member, and in July, 1919, the committee was enlarged by the addition of the following members :—

Councillor J. Fryer.

Councillor R. R. Gelling.

Councillor C. Keatley.

Councillor N. Tiptaft.

Councillor Gelling took a prominent part in the whirlwind campaign, addressed many meetings and rendered much assistance in the preparatory work of setting up the permanent Bank, and has continued his membership of the Bank Committee.



## CHAPTER 7.

### BRANCH BANKS IN WORKS.

#### I.

**T**HE growth of the Bank made it necessary to find some way of relieving the pressure of work at Head Office, and it was decided to try an experiment with branch banks in works. It was felt that if satisfactory arrangements could be made for coupon cards to be dealt with and entries made in pass books, at certain works, and at the same time provide facilities for depositors to withdraw sums at these branch banks, it would be mutually advantageous to depositors and the Bank. It will be borne in mind that only one pound could be withdrawn without notice, according to the Act of Parliament, and therefore we could ascertain, with reasonable accuracy, the requirements in actual cash.

#### 2.

Amongst those works where branch banks were set up may be mentioned the following:—The Birmingham Small Arms Co., Messrs. Bellis & Morcom, Components Ltd., the Austin Motor Co., the Birmingham Battery & Metal Co., the Wolseley Motor Co., the Birmingham Metal & Munitions Co., Messrs. J. & E. Wright; the Dunlop Rubber Co., Messrs. Guest, Keen & Nettlefolds; Messrs. Alldays & Onions; all the Corporation Gas Works, and at the Tram Depot, Witton. Every Friday, and ultimately on other days, officers from the Bank, and other Corporation departments, would attend at these works and transact the business of the Bank. In some cases voluntary service in this connection was rendered by the staff at the particular works.

## 3.

An enthusiast was discovered in the Inspector of Munition Areas, whose centre was Birmingham. He preferred the Bank scheme to the war savings scheme, and adopted it for employees under his jurisdiction. He had an equally keen enthusiast in his principal assistant (Mr. F. H. Ogden). To meet the requirements of employees scattered all over the district in various bond rooms, a kind of travelling branch bank was arranged. Every Friday, and occasionally on other days, the inspector's clerk would visit these bond rooms to pay wages, accompanied by an official of the Bank, who would deal with the Bank scheme.

## 4.

One amusing incident is recalled in connection with this travelling Bank. At one of the bond rooms a rumour had been started that the Bank was in financial difficulties, and depositors were demanding their money. The writer at once visited the particular bond room with a supply of cash, but before commencing to pay out addressed the depositors and pointed out the foolishness of the rumour. Pressing for an explanation of the rumour, it was ascertained that it all arose from the fact that an advertisement had been seen in the press to the effect that the city treasurer of Birmingham was prepared to receive loans on mortgage! This had been used by the "joker" to point out that Birmingham was short of money and that as a consequence depositors in the Corporation Savings Bank would stand in jeopardy. These depositors were then given the opportunity of receiving their money. One or two took advantage of the opportunity, but more money was brought back to the Bank than was originally taken to the bond room, because advantage was taken of the opportunity to sell coupons to the assembly of depositors and a highly successful sale resulted.

## 5.

The experience gained with these branch banks proved useful at a later stage, when the question of setting up branch banks in different parts of the city came to be considered.





## CHAPTER 8.

### THE FINANCIAL POSITION OF THE BANK.

#### I.

**I**T was not expected that the Bank would make an immediate profit, as heavy preliminary expenses had to be met ; at the same time, it was anticipated that there would be a considerable margin between the yield of interest from investments and that paid to depositors.

#### 2.

The Act under which the Bank was established refers to "War Loan Investment," and authorises the establishment of Banks to facilitate savings in securities for the purpose of the war. We were under the impression that the Bank would receive at least 5 per cent. interest from moneys invested with the National Debt Commissioners, that being the yield on war loan, while savings certificates gave a still higher yield. The view of the National Debt Commissioners, however, was that the Act restricted the investment to treasury bills, or advances which the Treasury may borrow under a Consolidated Fund Act or Appropriation Act.

#### 3.

This view of the National Debt Commissioners had a serious effect. Instead of obtaining 5 per cent. on invested moneys, we received only  $4\frac{3}{4}$  per cent. up to the 30th June, 1917 ;  $4\frac{1}{2}$  per cent. up to the 31st December, 1917 ;  $4\frac{1}{4}$  per cent. up to the 31st March, 1918 ; and  $3\frac{1}{2}$  per cent. thereafter. On explaining the position in which we were finally placed, viz., allowing  $3\frac{1}{2}$  per cent. to depositors and receiving only  $3\frac{1}{2}$  per cent. on investments, we were urged to reduce the rate to depositors, and at a later stage pressure

was brought to bear by the Chancellor of the Exchequer with that object in view.

## 4.

The Bank Committee were opposed to any reduction in the rate of interest allowed to depositors, and recommended the City Council to stand by its promise and shoulder any loss there might be. This recommendation was unanimously adopted by the Council, and the decision will always stand to its credit. The Council, realising that the situation was so very unsatisfactory, decided to take the first opportunity of securing greater freedom in respect of investment of funds.

## 5.

The Bank, which had been in existence since the 29th September, 1916, ceased to take deposits on the 31st October, 1919. During its short life no less than £603,319 5s. 8d. had been deposited, and £295,708 19s. 1d. withdrawn, and 24,411 depositors enrolled.

## 6;

The temporary Bank closed with a deficiency of £7,149 3s. 11d., which was met by the borough fund, and subsequently repaid by the new Bank, as explained in Chapter 10.

## CHAPTER 9.

### THE WINDING-UP OF THE TEMPORARY BANK.

#### I.

THE Act of 1916 provided for the Birmingham Corporation Savings Bank being wound up within three months of the end of the war, and in compliance with such requirement the following notice appeared in the *London Gazette* :—

*Municipal Savings Banks (War Loan Investment) Act, 1916.  
Birmingham Corporation Savings Bank.*

Notice is hereby given, pursuant to Section 188 of the Companies (Consolidation) Act, 1908, that a STATUTORY MEETING OF THE CREDITORS of the above-named Bank will be held at the Council House, Birmingham, on Monday, 17th November, 1919, at twelve o'clock noon. Dated 6th November, 1919.

F. H. C. WILTSHIRE, Town Clerk.

*Note.*—The winding-up of this Bank is due to its being carried on under a new title, viz. :—"The Birmingham Municipal Bank," established under the Birmingham Corporation Act, 1919, and all claims on the old Bank will be met in full.

#### 2.

The note at the end of the above notice makes a remarkable announcement, as to which a few words of explanation are necessary. It will be remembered that one of the conditions of the establishment of any Municipal Savings Bank, under the Act of 1916, had been that it should be wound up three months after the termination of the war—one of the concessions made to the joint stock banks. The founders of the Birmingham Bank, however, had always declared that if, when the end of the war came, the people of Birmingham had shown a real appreciation of the value of the Bank, some means would and should be found by which it might become a permanent institution. The condition had been fulfilled, the success of the Bank was undoubted, and the time had now come when it was necessary for the

Bank Committee to consider how the promise to make the Bank a permanency should be carried out.

## 3.

Accordingly, it was proposed to include in an omnibus Bill, promoted by the Birmingham Corporation, powers to establish a Municipal Savings Bank ; and, at the same time, opportunity was taken to get rid of some of the restrictions which had proved so difficult in the original Bank. The main features of the new Bill will be described in a later chapter. Let it suffice here to say that the Bill was, after careful examination by the Local Legislation Committee of the House of Commons, carried to the Statute Book in the year 1919 ; and arrangements were made by the committee, which enabled them, before the actual winding-up of the old Bank, to transfer its deposits and the claims of its creditors, and others to the new Bank to be established under the new private Act.

## 4.

This statutory meeting of creditors duly took place, and was attended by the Lord Mayor (Alderman W. A. Cadbury), Councillor C. T. Appleby, the Town Clerk (Mr. F. H. C. Wiltshire), the City Treasurer (Mr. A. Collins), the Assistant Solicitor to the Corporation (Mr. F. M. Minshull), and the writer.

## 5.

Shortly before the time fixed for the meeting to commence the Chairman of the Bank (Councillor Appleby) asked the writer whether he thought any creditor was likely to put in an appearance. The reply being that it was doubtful whether anybody would take the trouble to attend raised the point as to what would happen in that event. Fearing the possibility of an adjournment, a hasty inspection of the books was made to see if two or more eligible depositors could be found, and persuaded to attend. Discovering the names of Mr. James Jackson (superintendent of the Salvage Department) and Mr. James Dingley (assistant secretary of the Gas Department) amongst the

eligible depositors, and as they were within easy reach, the writer explained the position, but not without considerable pleading could these public servants be persuaded to leave their posts—in fact they regarded the overtures more in the nature of a joke ! However, they did, in the end, appear.

## 6.

On the stroke of twelve, Mr. Jackson, a creditor, proposed, and Mr. Dingley, another creditor, seconded, that Councillor Appleby be appointed Chairman of the meeting.

Councillor Appleby explained to the meeting its formal character, and invited the meeting to consider the proposal of a resolution under the statute, at the same time pointing out that such a resolution would have the effect of altering the course which would otherwise be taken under the operation of the Municipal Savings Bank regulations and the resolution passed by the Council.

No resolution being moved, the Chairman declared the business of the meeting at an end, and so the Birmingham Corporation Savings Bank disappeared in red-tape proceedings, just as it had existed under red-tape restrictions and limitations.

In due course a return was forwarded to the Chief Registrar of Friendly Societies, and presumably lies in his archives. One wonders what he thinks of it !

## 7.

A very good reason why no interest was taken in this statutory meeting of creditors could be given. For several weeks depositors had been transferring their accounts from the temporary Bank to the permanent Bank and consequently were not eligible to attend the meeting, while the list of those who were entitled to attend was a very small one. But another reason was that everybody knew that the same Corporation was running the new Bank with the same guarantee behind it, and that if there was any difference at all, it was the same !

## 8.

The committee, as liquidators, issued a final account of

the Birmingham Corporation Savings Bank under the signature of Councillor Appleby.

## 9.

Thus ended the first experiment in Municipal banking ; an experiment which had been valuable ; an effort which had been worth while. It paved the way to a bigger and better scheme ; it turned a temporary Municipal activity into a permanency.

When congratulating ourselves on the wonderful institution we possess to-day, let us not forget that the Birmingham Municipal Bank exists to-day because of the trials and difficulties successfully overcome in the earlier days.

## CHAPTER 10.

### THE DEFICIENCY WIPED OUT.

#### 1.

AS mentioned in Chapter 8, the Bank received financial assistance from the borough fund, to the extent of £7,149 3s. 11d. That loss was shouldered without demur ; the Council realised that it had been entirely brought about by the limitations imposed by the Treasury upon the power of investment, and by the low rate of interest allowed the Bank by the National Debt Commissioners.

#### 2.

The Birmingham Municipal Bank obtained a large clientele from the depositors in the temporary Bank, and received the immediate advantage of the transferred moneys of such depositors. This being so the committee felt there was a moral liability to make good the deficiency, although no legal liability to do so.

#### 3.

Accordingly, steps were taken to obtain the approval of the City Council to the whole amount being repaid to the borough fund from the surplus moneys of the Municipal Bank, and in due course such repayment was made as the balance sheets disclose.

#### 4.

We are proud to say that from the establishment of the temporary institution in 1916, right up to the present time, *the Bank has not cost the ratepayers a single penny.* That is an achievement which entitles us to take pride ; it is a satisfactory position so far as the ratepayers are concerned,



and it is no less satisfactory to the depositors in the Bank, most of whom are also ratepayers.

\* \* \*

#### A WORD OF APPRECIATION.

To close the history of the Birmingham Corporation Savings Bank without an acknowledgment of the services rendered by the staff would be ungenerous. Working during a period of extreme pressure, under cramped conditions, in non-hygienic premises, and with the guillotine of the temporary nature of their employment always over them, they were really splendid.

The necessities of war conditions made it difficult to secure male help. No sooner did the opportunity occur of obtaining a man, than the military authorities stepped in and determined his fate otherwise. Recourse was had to the engagement of young girls fresh from school and other female help, and for the first two years this temporary Bank staff was largely of the gentler sex. Their adaptability for certain forms of clerical labour was proved during these years, and one can pay a high testimony to their qualities.

Two officers, however, deserve special mention, viz., Mr. A. J. Smith and Miss D. E. Blackwell. Both these officers commenced their service with the Bank on its establishment; the former is still an officer, and the latter was an officer up to June, 1926, when she resigned on marriage. Mr. Smith has always been an enthusiastic and energetic officer, ever ready to help, ever willing to discharge any duty he was called upon to undertake; a valuable and loyal colleague. Miss Blackwell coming to the Bank as the ledger clerk, rose to cashier and ultimately chief cashier. Exceptionally able, reliable and trustworthy, she was a splendid officer. The bigger the task the greater her determination to accomplish it.



## PART TWO





Photo by H. J. Whitlock & Son.

ALDERMAN SIR DAVID BROOKS, G.B.E., J.P.

*Lord Mayor 1916-1917-1918.*

*Second Chairman of the Birmingham Corporation Savings Bank.*



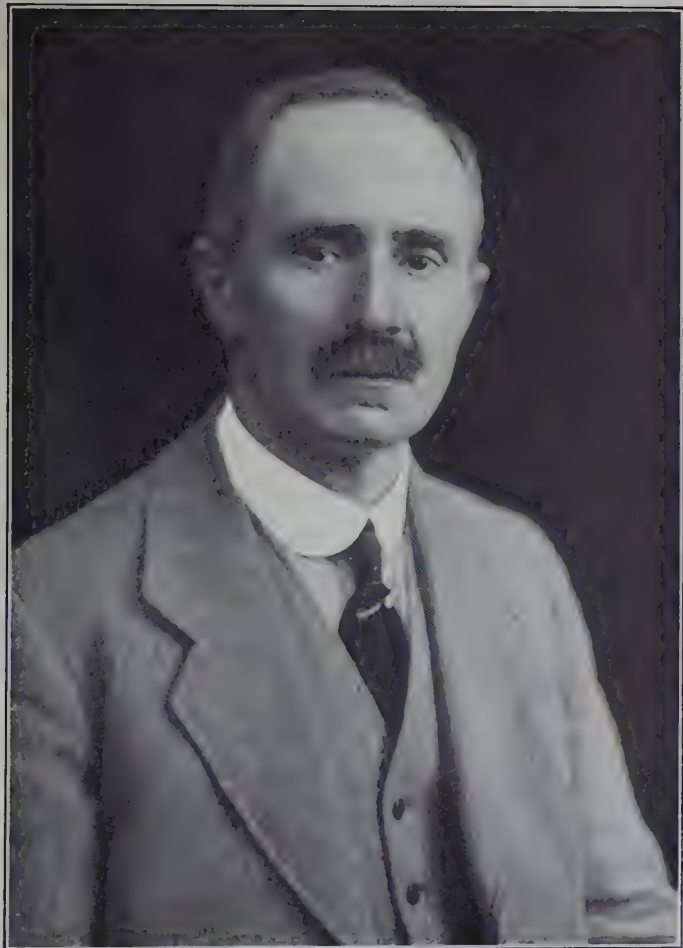


Photo by H. J. Whitlock & Son.

COUNCILLOR R. R. GELLING.

*Member of Committee of Birmingham Corporation Savings Bank.  
Member of Committee of Birmingham Municipal Bank.*



## CHAPTER I. STATE OR MUNICIPAL BANKS—WHICH ?

### I.

**I**T will be convenient to refer at this point to the action taken by the Ministry of Reconstruction (one of the war-time Ministries) in setting up in May, 1918, an important committee—

to consider and advise on the practicability of assisting any bodies or persons (other than local authorities) to build dwellings for the working-classes immediately after the war, whether by means of loans, grants, or other subsidies, and whether through the agency of State or Municipal Banks or otherwise.

### 2.

This Committee was known as the Housing (Financial Assistance) Committee, and comprised the following members :—

The Right Hon. Henry Hobhouse (chairman).

Mr. Richard Barrow.

Mr. J. A. E. Dickinson, I.S.O.

Mr. James Edmondson.

Mr. Thomas Goodwin.

Sir Harry Haward.

Mr. J. H. Head, F.S.I.

Mr. R. H. Marsh.

Mr. E. H. Parker.

Lieut. R. L. Reiss.

Mr. E. A. Strauss, M.P., with

Mr. William Wallace (secretary).

### 3

An invitation was extended to Birmingham to give evidence before this committee, and accordingly, Alderman Neville Chamberlain, M.P. (accompanied by the city

treasurer and the writer) attended and outlined the activities of the Birmingham Corporation Savings Bank and submitted a draft of the proposals for a permanent Bank the Corporation intended to embody in a Parliamentary Bill.

## 4.

In their final report, dated the 5th February, 1919, the committee comment on the proposals as follows :—

We desire, however, to record our opinion that it is desirable that the larger Municipalities generally should be empowered to establish Municipal organisations of the nature of Housing Banks, which would attract the savings of the working-classes and allow of the funds being devoted to assisting depositors to purchase houses for their own occupation, or, under conditions properly safeguarded, to advancing money to persons or bodies building houses for the working-classes within the Municipal area or on land adjacent thereto.

We believe that there are many small investors who would be more willing to deposit their savings with their Municipality than with, say, a building society or even the State.

We believe, too, that the prospect of one day owning their homes would provide a strong motive for accumulating savings. In this way thrift would be stimulated, and more capital provided for housing.

## 5.

It is interesting to read their report which concludes with the following recommendations :—

That with the object of providing money for housing purposes the Municipal Savings Banks (War Loan Investment) Act, 1916, should be continued, its scope being widened and its provisions amended in the following respects :—

- (1) The powers under the Act should be granted to boroughs with a population of not less than 100,000.
- (2) The powers of investment should be extended to Government securities generally.
- (3) The limit for any one depositor should be £500.
- (4) The restriction as a depositor being in employment and the deposits being only made through the employer should be removed.
- (5) The rate of interest payable on deposits should be within the discretion of the Borough Council.
- (6) Power should be given to utilise such part of the funds of the Bank as are not required to meet current liabilities, in making advances upon the security of freehold, copyhold, or leasehold estate by way of mortgage (1) to any



depositor in the Bank desiring to purchase a dwelling-house for his own occupation, situate within the Municipal area or adjacent thereto, not exceeding £500 in value, or in the case of a leasehold house where the unexpired term is less than ninety-nine years, £400 ; or (2) to any person or body building similar houses under a scheme approved by the borough.

- (7) Power should be given to borrow for the purposes of the Bank with the approval of the Local Government Board.
- (8) The Bank should be carried on subject to certain regulations to be scheduled in the amending Act, and to rules approved by the Local Government Board and Chief Registrar of Friendly Societies.

**The committee also reported :—**

That the setting up of a State Housing Bank is, in our opinion, unnecessary.

6.

These recommendations were clear and precise, but it does not appear that they were considered of sufficient importance to justify legislation. At any rate, general legislation on the lines set forth was not introduced, but the recommendations of the committee were usefully cited when the Birmingham Corporation Bill of 1919 came to be examined by the Local Legislation Committee of the House of Commons.



## CHAPTER 2.

### STEPS TO SECURE PERMANENT POWERS.

#### 1.

ON the 25th June, 1919, the Birmingham Corporation Bill came before the Local Legislation Committee of the House of Commons, Sir William Middlebrook, M.P., presiding.

#### 2.

In his opening speech for the Corporation, Mr. Honoratus Lloyd, K.C., after reciting sections of the Act of 1916 under which the temporary Bank was constituted, expressed the view that the restrictive conditions imposed were a mistake, and said :—

In the first place, the Bank automatically comes to an end within three months of the end of the war.

It occurs to us that it would be a most unfortunate thing if on a day three months from the declaration of peace the money which we hold on deposit from these people should be suddenly thrown back in their faces.

It is a little difficult to know why persons in the employment of another person should be entitled to deposit and a person not in the employment of some other person is not entitled to deposit.

If we had been in a position to invest our Bank funds as most other people have been at 5 per cent. we should have made a commercial success of the undertaking, but unfortunately the meaning that has been put upon this is that our money must be invested through the National Debt Commissioners either in treasury bills or some other form of investment where the Treasury keep control of the rate of interest.

Counsel finally said :—

What I desire, therefore, to impress upon the committee is, that we are seeking to make permanent for the purpose of establishing the custom of thrift, this Bank, in the interests of

all classes, and we are really anxious to perpetuate that which has proved a success as a temporary measure.

## 3.

The principal witnesses who gave evidence on the Bank clauses were the Lord Mayor (Alderman Sir David Brooks), Alderman Neville Chamberlain, M.P., Councillor C. T. Appleby, and Councillor John Beard. It is interesting to read their evidence, which leaves no doubt as to the determination to secure permanent powers.

## 4.

The Lord Mayor said :—

For some reason or other the working-classes particularly favour the Municipal Bank as against the Post Office Savings Bank. I believe they are even attracted to it because the offices are in the Municipal Buildings, and the Lord Mayor for the time being is the President of the Bank. This local connection seems to appeal strongly to the Birmingham people, and gives them an increased sense of security.

The Post Office, or an ordinary bank, or the Government, are somewhat nebulous terms to a workman, who, if he knows the Municipal Bank is situated at the Council House, and the Lord Mayor (whom he knows at any rate by name) is the head of it, gets an idea that it is all right, and if he puts his money into it he will be able to get it out when he wants it, and have it quite safe in the meantime.

When once a man has been induced to accumulate a respectable sum of money, the most glaring of the difficulties in connection with the housing problem disappears at a stroke.

My experience has been that it is the workman's desire to possess his own house, and that the chief, if not the only, deterrent is his inability to purchase owing to his lack of necessary funds.

## 5.

Alderman Neville Chamberlain, M.P. said :—

The Bank has had considerable attention on my part. I was Lord Mayor at the time, and I took a very active and prominent part in the promotion of the whole thing ; in fact, I may say I initiated it.

What was present in my mind at the time, and that was before the starting of war savings associations, was that here was a tremendous amount of money being paid out in high wages to munition workers and others, and that at any rate in our district there was really no opportunity for them to save beyond the

Post Office, which, for various reasons, had attracted some, but had not attracted a very large proportion.

Here was a lot of new people who had never had money which they could save before, and I felt that something must be done to put in their way an attractive form of saving, and it appeared to me, after consultation with a large number of people (and particularly with trade union leaders) that a Municipal Bank offered a better prospect of securing these savings for the purposes of the nation in war than any other method that we could think of.

The first idea was to obtain a private Act. The Government took advantage of it, and promoted a public Bill.

I could give reasons why other Municipalities did not set up Municipal Banks. I would say that the idea first appealed very strongly to more than one Municipality, and we had a number of enquiries in Birmingham as to what had been in our minds and what was the method by which we proposed to set up this Municipal Bank, but there was very great delay in passing the Act through Parliament.

I dare say some of you gentlemen may remember that there were two attempts, and the first one was a failure and the first Bill was withdrawn ; then it was taken up a second time, and it was only after considerable difficulty and in spite of some opposition, that the Act was finally passed.

In the meantime, war savings associations had come into operation, and several (in fact, all, I think) of the Municipalities which had originally thought of setting up a Bank had in the meantime received communications from London begging and urging them to set up these war savings associations, and they had thrown all their energy in that particular form of saving.

Then when they found, in addition to that, that the Act as finally passed imposed such very drastic limitations upon the working of a Bank, I think they felt that the game was hardly worth the candle, and that they had better confine themselves to the one form of saving upon which they had already embarked rather than attempt to set up new organisations of this kind which would certainly mean a great deal of trouble and which perhaps, in their view, might not be altogether a success.

That, I think, is the explanation why the thing has not been taken up more freely than it has been, and as freely as it would have been if our first Bill had gone through before the war savings associations came into existence.

NOTE.—It must be remembered that the restriction of Municipal Banks to Municipalities having a population of 250,000 or over, means that *only* eighteen Municipalities in the whole of Great Britain could have established such Banks if they had taken advantage of the Act.

I desire to make it very clear that the operations of the Birmingham Bank have been prejudicially affected by various

restrictions which we now seek to remove. Certain conditions in the Act have very seriously hampered it.

The drawback to the requirement of saving through the employer has been a very serious objection indeed, and I am sure it has been the means of preventing much money being deposited with the Bank, and it has given the Bank a great deal of trouble, too, and expense.

The objection to saving through the employer, is natural. There is the natural feeling that if an employer knows what a man is saving he will say the next time the man comes to him for a rise in wages : "What do you want with a rise in wages when you are able to save so much a week ? "

The limitation of investments through the channel of the National Debt Commissioners has made all the difference between a profit and a loss. These restrictions have enabled the State to profiteer at the expense of the Municipality.

I have asked those whose opinion I thought was worth having, and I come to the conclusion that probably the greater part of the money in the Bank, say 75 per cent. or 80 per cent., would not have been saved if it had not been for the establishment of the Bank.

I believe the Bank has a great future before it, and what we have done up to now has been barely more than to scratch the surface.

The progress of the Bank, notwithstanding these restrictions, is very remarkable, and has elicited the warm commendation of no less an authority than Sir Edward Holden.

It will be seen, therefore, that Birmingham should be in a position to make the strongest and steadiest appeal to the people. I am convinced that this can best be done through the Municipality.

A combination of leading men, in many of whom the workmen would recognise their employers, would not, I think, tend to produce the best results, neither would combination upon a co-operative basis, which would not inspire that confidence possessed by a bank having the security of the city rates behind it.

The Post Office Savings Bank and the war savings certificates system are both doing excellent work, but different forms of saving appeal to different people, and the existence of a Municipal Bank side by side with these other institutions would probably assist them by spreading the saving habit over a wider field.

I find, as a fact, that the Municipality inspires confidence. We have had a good number of depositors who from time to time have come to us to deposit money, and we have had to say "No, we cannot accept your money because you are not employed," and therefore they have said, "We will take it away again, and put it back into the drawer or teapot" (or wherever it

was before), and when asked to put it in a joint stock bank, or in a Government security, or even in the Post Office, they have said, "No, if we cannot put it in with the Municipality we will not put it in at all."

If, in accordance with the present law, it were wound up three months after the signing of peace, the habits of thrift formed during the last two years would be broken up, but if the Corporation are now granted the powers they seek, the vast majority of depositors would, I have no doubt, consent to a transfer of their deposits, and the continuity of the Bank would be maintained.

Under the present Bill the Corporation seek power to establish a new Savings Bank free from the restrictions which have hampered them in the past, but subject to appropriate regulations.

The most important new feature of the proposed Bank, however, is the establishment of a Housing Department with power to make advances for housing purposes.

I attach the very highest importance to the proposal to advance money to depositors to purchase houses.

I do not want to prevent a man from purchasing his own and the house adjoining if that is necessary, but we had not any idea of encouraging speculation in house property. It will not be only Corporation houses which will be purchased under this scheme.

The effect of allotment gardening so largely developed during the war, is very marked in this connection.

In Birmingham we have, for instance, upwards of 13,000 war allotments which have been started entirely since the war. These men have got a taste for gardening ingrained in them, and they have seen what a benefit it can be to them, and they will be very desirous of having gardens in the future.

I am sure the Committee will understand that it is an enormous extra inducement to a man to desire to buy his house if attached to that house there is a garden, so that any labour or capital which he may put into the cultivation or improvement of the garden becomes actually his own possession in the long run.

I think there is no doubt that the crux of the whole housing problem is finance, and it has been a serious anxiety to the Treasury to find the necessary money for these gigantic housing schemes.

My idea is, that if you could harness up, as I call it, the savings of the working-class and get them in to help in the matter, you would make a very substantial contribution towards the solution of that problem. Those savings would be of real benefit, although small in amount individually, to the people who save them, and incidentally a real benefit to the State.



I now come to the regulations in the schedule of the Bill. These will remove the present restrictions which have so hampering an effect upon a Municipal Bank.

At the present time the investment of a depositor is limited to £200, but the Housing (Financial Assistance) Committee recommend the raising of the limit to £500. Personally, I should prefer to see no limit at all, and I may point out that the limitation of £200 on deposits in trustee savings banks was withdrawn during the war and for six months after its termination. I suggest that if the needs of war made it desirable for the limitation to be withdrawn, in the case of trustee savings banks, requirements of peace equally demand that there should be no such limitation for the purposes which are the subject of the present proposals.

Dealing more particularly with the power to make advances for housing, it will be observed that assistance is to be given to depositors desiring to purchase or acquire a dwelling-house or dwelling-houses. The case in mind is that of a pair of semi-detached houses where a man may desire to safeguard his house and ensure his comfort by owning the adjoining property; or it may be that he may wish to buy a house next door for a son or a daughter, and so on.

It is not proposed, however, to make loans to people wishing to purchase a number of houses, and generally speaking, the Bank would only lend to people purchasing the house in which they live or wish to live.

It is the practice throughout the elementary schools in Birmingham to run school savings banks to which the children contribute by money handed to their teachers. Any contributors to this bank cease with the termination of the child's school life. The money is then usually spent in providing the child with clothes, tools, or other miscellaneous matter.

It is felt that if when one pound is accumulated by the child, he is provided with a Municipal Bank book, it will be a link which will carry him on to the use of the Bank after leaving school, and will further be an inducement for the parent to leave some sum of money in the Municipal Bank, in order to keep the account going. If the interest of the growing generation is enlisted, it is obvious that the best results may be expected from the Bank.

## 6.

A significant intervention by the chairman of the Local Legislation Committee took place at this stage. Addressing counsel, Sir William Middlebrook said :—

I think I can assist you by saying that the evidence given by the Lord Mayor of Birmingham and Mr. Neville Chamberlain is so definite and so strong, that you need not feel bound to go to



the full extent of what probably you are prepared to do in adducing further reasons.

To those of us who heard that remark, it intimated that success was near at hand, but counsel gave an opportunity to Councillor C. T. Appleby and Councillor John Beard to state their views.

## 7.

Councillor Appleby said :—

I have on several occasions been engaged in investigating the affairs of societies established in the city and neighbourhood for the purpose of providing facilities for thrift, and have acted on behalf of the Public Prosecutor and the Registrar of Friendly Societies as an expert financial witness in the matter of prosecutions or other proceedings in cases of failure and embezzlement when money societies, friendly societies and similar bodies were concerned.

Most of these cases arose through insufficient control, and I think that if there had been in existence such a Bank as that for which powers are now asked, the demand for these societies would not have existed, and hundreds of thousands of pounds of hard-earned savings would not have been lost.

My experience in this capacity led me most heartily to support the proposal to establish a Municipal Savings Bank in the city, and I have from its inception been a member of the Committee appointed by the Council to manage the Bank.

I have been in close touch with the working of the Bank and its finances. Since the Municipal Savings Bank was established I, with others, have addressed many meetings of working men and women at various works and factories throughout the city of Birmingham, in order to induce them to become depositors.

I have no hesitation in saying that had it not been for the restriction requiring moneys to be received through employers contained in the 1916 Bill, the development of the Bank would have been very much greater.

The Corporation Bank would have the further advantage of securing greater confidence because the citizens would realise that it was their own Bank, managed by their elected representatives on the Council.

I also attach much importance to the fact that the Bank will have the active support, as the present one has had, of the Labour Party, who will no doubt continue to be represented on the Committee.

I regard it as a very important matter in the success of the Bank that we should have that active support.

The establishment of a Municipal Savings Bank has been one of the planks of the Labour Party for many years past, and this is the first direct evidence of its existence. It is really carrying

out what the great mass of the people in Birmingham, through their responsible leaders, have been desiring for a long time. The workers regard it as a very important factor that the Bank should be their own city Bank, a Municipal institution which they know, and which is their now.

I propose to deal with these difficulties with which the Municipal Bank established under the Act of 1916 has had to contend, which it is now asked shall not apply to the new Bank.

According to the Act of 1916 no deposit must exceed £200. I know of no provision which tends more to the discouragement of thrift, particularly among that class of depositor who is most enthusiastic and inclined to save all he can. When his deposits begin to exceed £200 the Bank has to turn him away from its doors.

My experience with working men convinces me that this treatment is not understood. I know of numerous cases in which men who have been told that their deposits can no longer be accepted have withdrawn the whole of their money. In very many cases also, men have come with large sums which they have accumulated at home, having been converted by the example of their comrades to become depositors, and they have been told that this sum of money, because it exceeds £200, cannot be taken.

I look upon the restriction as not only strongly tending to discourage thrift, but also as a factor which would render the successful operations of the Housing Department of the Bank more difficult.

In acting on lines analogous to those of a building society, I anticipate that the Housing Department of the Bank will probably be asked to lend 80 per cent. of the capital required for the purchase of a house.

The £200 restriction was removed from the trustee savings banks during the period of the war and for six months after its termination. The public were authorised to invest in war savings certificates up to £500, and in the case of the Post Office Savings Bank there are always ample facilities for converting deposited monies into Government securities. I am firmly convinced that there is every reason why the £200 restriction should go.

Many persons who would desire to avail themselves of such a Bank as the proposed savings and housing Bank in Birmingham are not employed in any strict sense, in so far as they are master-men in a small way, out-workers making for larger manufacturers or merchants, small shopkeepers, and others whose employment is intermittent.

Although obviously the vast majority of the depositors will be employed persons, no reason, it is submitted, now remains for deposits to be made necessarily through their employers.

I desire to refer to the investment of sums belonging to the Bank through the National Debt Commissioners in securities, issued for the purpose of the war, that is in treasury bills and ways and means advances.

In this connection I must mention that in the case of the Birmingham Corporation Savings Bank there has been an excess of expenditure over income in each year of the Bank's existence, but such excess has been a dininishing quantity.

I wholly attribute this deficiency to the effect of the restriction on investment. The Bank's money earns only a low rate of interest. Three-and-a-half per cent. only is now received on the treasury bills and ways and means advances, and 80 per cent. of the Bank's funds have to be invested in these securities ; anywhere else the money would earn at least 5 per cent.

It is not the intention of the promoters of this Bank to provide facilities for people to purchase blocks of property, but to encourage people to save money and invest it by purchasing a house, whether for their own occupation or as an investment. It is most important at the present time to attract investors to put their capital into securities of this nature.

## 8.

**Councillor Beard said :—**

I regard the proposals of this Bill as eminently in the interests of the community of Birmingham.

I have attended and spoken at several meetings of workmen throughout the city of Birmingham on the Bank. The workers do feel a real interest in the Bank.

The limitations of the present Act have been a severe handicap to us. As a matter of fact, they nearly prevented our getting the Bank started. It may be really much of it prejudice, but the ordinary working man thinks that the employer ought not to know how much he can save, and it is very difficult to tell them that that might be to their advantage as well as to their disadvantage. They think "Well, I am not supposed to know what the employer has got, and the employer has no right to know what I have got."

My experience is that the habit of saving is accelerated among workpeople by the knowledge that the Municipality provides the means. The Municipality is something they understand. They feel an inducement from it, which the Post Office can never supply.

My view of the Post Office is that it does not induce a man to save as the savings Bank might do, and I do not regard the Post Office as a popular means of saving at all. The post office official looks upon him when he goes to make his deposit as a nuisance, and probably a greater nuisance when he goes to make a withdrawal of a pound.

My view is that it would be a very distinct advantage to encourage the ownership of houses, especially in the city of Birmingham. It would tend to establish a higher standard of life because men would not buy the worst class of house, and if they had a few hundreds of pounds and were able to borrow the remainder, they would build a better class of house.

It would increase a man's sense of civic and national responsibility, and more than that it would help to keep up the housing problem of Birmingham to a higher standard because of a man's individual interest in the house itself. It would tend, of course, to a more intelligent interest being taken in affairs.

9.

Although Mr. Eldred Hallas, M.P., was not called as a witness, there are one or two points from the evidence he had prepared which are worth quoting, viz. :—

I have interested myself for many years past, as a representative of labour interests, in the best methods of encouraging proper housing of the working-classes.

My experience has convinced me that the possession by the working men of their own homes will do very much to better their lot and to remove discontent. I am convinced that great numbers of working men desire to become the occupying owner of a house, and will save money for that purpose.

The working-man will not want to own much other property, and I do not think it should be the policy of the Corporation to help him to do so, except, perhaps, the house next door in the case of semi-detached buildings for protecting his property or for housing some relative.

The working-man will want to approach some corporate body which he can trust, and there is no such corporate body in Birmingham except the Municipality that would so well fulfil the purpose.

I think the savings and housing Bank which is proposed will meet a long-felt want in Birmingham. If there is any inducement above others which will tempt a working-man to save it is the prospect of accumulating his savings for the purpose of purchasing his own home. A Municipal Bank makes a special appeal in this direction. The men of the town know it, and are inclined to be the first to respect it ; they feel that their money is not lost to their town.

I have addressed very many meetings in all kinds of works, as a member of the Savings Bank Committee, and I have found that although it was uphill work sometimes, because of the prodigal habits which had grown up, the men, as soon as they understood what the intention of the Bank was, were enthusiastic.

They feel that after all that has been done in the Municipal Bank under the War Loan Investment Act of 1916, very much

harm will be done if this Bank were to close down three months after the war in accordance with the requirements of the Act, without the possibility of having a successor to take its place. The people of Birmingham would be disappointed. They would feel that their virtue had gone for nothing, and that their money was thrown back in their faces.

## 10.

Counsel for the Corporation mentioned that he thought the Local Government Board had given the Bank clauses its "blessing." That view is confirmed by the following observations of the Board :—

The proposals in these clauses are a development from the Birmingham Corporation Savings Bank which was established under the Municipal Savings Banks (War Loan Investment) Act, 1916.

The question whether the formation of Municipal Housing Banks should be encouraged as one of the measures of financial assistance in connection with housing, has been considered recently by the Housing (Financial Assistance) Committee under the chairmanship of Mr. Hobhouse.

This committee reported in favour of the establishment of such banks, subject to certain conditions, in particular that advances should be limited to (1) any depositor wishing to purchase a house for his own occupation within the Municipal area or adjacent thereto, not exceeding £500 in value, or in the case of a leasehold house, where the unexpired lease is less than ninety-nine years, £400; and (2) any person or body building similar houses under a scheme approved by the Borough Council. The proposal in clause 12 limits the advances to houses within the city, but enables a depositor to buy more than one house.

Under the Small Dwellings Acquisition Act, 1899, as amended by clause 43 of the Housing, Town Planning, &c., Bill, local authorities are authorised to make advances to a person to enable him to purchase his house up to 85 per cent. of the value of the house.

If a Municipal Savings Bank were formed the funds required to enable a depositor to purchase his house would be derived from the funds of the Bank, and to that extent the borrowing of moneys from the local fund for the provision of houses would be obviated.

It is suggested that favourable consideration should be given to this proposal, subject to compliance with the conditions recommended by the Hobhouse Committee.







Photo by Mr. Percy Wynne.

ALDERMAN SIR PERCIVAL BOWER, M.B.E., J.P.

*Lord Mayor, 1924-1925.*

*Present Chairman, Birmingham Municipal Bank.*









## CHAPTER 3.

### PREPARATIONS FOR OPENING THE MUNICIPAL BANK.

#### I.

**I**N intelligent anticipation of Parliamentary powers being granted, the Council at their meeting on the 29th July, 1919, approved of draft rules, and authorised the Bank Committee to take such steps as were necessary to start the new Bank as early as possible. The Royal Assent was given on the 15th August, 1919, the regulations were issued by the Treasury on the 25th August, the rules approved by the Chief Registrar of Friendly Societies on the 27th August and by the Treasury on the 28th August.

The committee lost no time in setting about it—in fact, they set up a record for Municipal hustle, and on the 1st September, 1919, the Bank was opened with a Head Office and seventeen branches. Five of these branches were open daily ; four on alternate days, and eight on certain evenings in the week.

#### 2.

In making these distinctions the committee were guided by information already in their possession as to the residences of depositors in the temporary Bank. Where the depositors were sufficiently numerous in a particular locality to justify daily openings, the committee did not hesitate to set up a daily branch ; thus Aston, Handsworth, Lozells, Small Heath and Sparkbrook branches had that advantage at the commencement. Duddeston and Saltley areas indicated possibilities of early development, and for a time they were worked by the same staff. Ladywood also indicated that an early development might be expected, and it was decided to work that branch in conjunction with one

at Harborne. The centres selected for evening branches were at Acock's Green, Balsall Heath, Erdington, Hay Mills, Kings Heath, Northfield, Rotton Park and Selly Oak. If one looks at the map of Birmingham given on pages 66-67 it will be seen how well these branches were distributed over the city.

## 3.

The committee were cautious in establishing branches ; in all cases arrangements were made to rent or lease premises or rooms ; there was, at that time, no idea of buying premises. The committee desired to find out whether the branch was in the right spot, or within a reasonable distance of the ideal position, before spending money on the purchase and reconstruction of premises.

## 4.

That the premises were only in the nature of temporary ones, was very apparent in some cases, e.g., at Sparkbrook, where the meat hooks and slabs of a butcher's shop remained on view ; at Duddeston, where the brass rails and embossed windows indicated the former use of the premises as a public-house ; at Small Heath, where the ticket office at the baths was used, and at Saltley, where an appropriated fireman's hut scarcely gave an impression of permanence. The use of rooms in institutes at Kings Heath, Northfield, and Selly Oak ; in the public library at Harborne, and in the national schools at Erdington, were clearly temporary expediences.

## 5.

Although so modest in its infancy, the Bank should not be derided because of these temporary premises ; the absence of "splash" very materially helped to establish confidence of the citizens ; it made it easy for the citizens to use the Bank—in short, this modesty made the Bank. Further information about the branches is given in subsequent chapters.

## 6.

The next step was to invite depositors in the Birmingham Corporation Savings Bank to transfer their accounts to the

Birmingham Municipal Bank, or alternatively withdraw their money. It was anticipated that many would avail themselves of the opportunity of transferring, but the number who did so was far in excess of expectations. There were 24,411 open accounts in the temporary Bank, *and of these no less than 22,592 were voluntarily transferred to the permanent Bank.* No greater proof of confidence in the Bank could be shown than the high proportion of transferred accounts ; the action of the depositors was a splendid testimony to the faith of the people in the Municipal Bank. It is doubtful whether any State or semi-State organisation, much less a private bank, could have obtained such an expression of confidence.

## 7.

Having secured the transfers, the next thing to do was to carry them through. This was a big task ; the clerical labour involved was enormous. It meant the closing of each account in the temporary Bank just as if a withdrawal had been made ; it meant the opening of each account in new ledgers. Then there were new pass books and index cards to make out, and particulars to enter in the specimen signature books. Day and night the staff worked in a magnificent manner ; their enthusiasm was unbounded. It was team work which enabled the task to be done, and the youngest junior vied with the highest officer in doing his bit. It is team work still which contributes so largely to the successful working of the Bank year by year.

## 8.

An important decision had to be made as to the name by which the new Bank should be known. The Act described it as a "savings and housing Bank," and a suggestion was made that its title should be the "Birmingham Corporation Savings and Housing Bank." That seemed too big a "mouthful" to swallow—bad enough for the depositors, but much more so for the staff who have continually to write the title of the Bank. Wise counsels prevailed, however, and

the shorter title of the "Birmingham Municipal Bank" was decided upon.

## 9.

Another important decision had to be taken, viz., whether the existing, or a modified, system of saving by means of coupons should be adopted, or whether the coupon system should be abandoned in favour of cash transactions over the counter. It was not easy to reach a decision, because many could be found at that time who desired to continue the coupon system to which they had become accustomed. The opinion of employers was sought on the question. The majority were averse to the coupon system, and very few firms were then paying coupons as part wages, the majority having resorted to the practice of selling coupons to their workpeople instead. Various proposals were brought forward for consideration, including arrangements for employers who wished to continue the coupon system, with credit books or cards; arrangements whereby wages might be paid in full and contributions handed to works' collectors for transmission to the Bank; arrangements for workers to pay their contributions by a card system at convenient offices where Corporation accounts were dealt with, etc., etc.

## 10.

The final decision, however, was that the coupon system should be abandoned, and the practice followed of deposits and withdrawals being made at the Bank in the usual way, for which purpose branch Banks would be set up in convenient parts of the city, and in accordance with that decision instructions were given for the issue of coupons to cease as and from the 21st October, 1919. It was, nevertheless, felt that some firms might desire to continue some system of deduction from wages, and arrangements were made which would permit of this. A few firms adopted this course, but it is significant that the practice has almost died out.

## 11.

The introduction of a Housing Department in the permanent Bank, made it necessary to consider the pro-

cedure to be adopted, and to assist the committee in reaching a decision the city treasurer and the writer were instructed to conduct investigations into house purchase systems in other parts of the country. With this object in view, visits were paid to Bolton, Burnley and Ilford. At Bolton, our investigations concerned the Bolton Co-operative Society, said to be the third largest society in the country. This society conducted a scheme which had been responsible for 28 per cent. of the total houses in Bolton being purchased. The method adopted for repayment of the mortgage was to divide the amount of the loan into equal monthly amounts spread over the period of the loan ; to give borrowers the option of making excess payments if they wished to do so ; and to charge interest each month on the balance outstanding. This practice, it was contended, gave every advantage to the borrower and acted as an incentive to an earlier discharge of the mortgage. Their figures certainly confirmed that view. At Burnley, we were told that practically one-fourth of the houses had been purchased through the building societies, and claim was laid to Burnley being the foremost town in England in the number of artisans owning the houses they live in. Mortgages were arranged on the usual building society lines. At Ilford, a scheme had been worked since 1902 by the Urban District Council under the Small Dwellings Acquisition Act, 1899, Ilford being one of the few local authorities meeting with any success in that respect. The amount which was advanced on a house approximated to three-fourths of the purchase price, and repayments were made on a fixed scale covering principal and interest. The Bank is indebted to the officials at Bolton, Burnley and Ilford for the help they gave ; they did everything possible to inform us as to their procedure, and to show us different types of houses which had been bought through their organisations.

## 12.

After full consideration of the matter, the Bank Committee decided to follow the practice of the Bolton Co-operative Society, and adopt the scheme which has made

the House Purchase Department of the Bank such a striking success.

## 13.

An important step was taken when the committee decided upon a design by which the Bank would become known throughout the city. The chairman (Councillor C. T. Appleby) offered a prize for the best design submitted by students of the School of Art, whose director laid down the following conditions :—

- (a) Designs to be limited to students attending the School of Art or the branch schools.
- (b) The design to be suitable for reproduction, if desired, in enamel.
- (c) The design to be the sole right of the Bank.

A large number of designs were submitted, many showing marked initiative and ingenuity. The committee spent a considerable portion of one morning in examining and criticising the designs, and ultimately decided on the one submitted by Mr. E. G. Barnes, which was duly registered. His conception of a key with the simple but effective slogan "Security with Interest" appeared to meet the case. Little could he have thought that his design would be so prominently displayed and so well known as it is to-day. It explains in the simplest language what the Bank stands for. Other designs submitted had considerable merit, and were also accepted for propaganda purposes.



## CHAPTER 4.

### PERSONNEL OF THE BANK COMMITTEE (1919-1927).

#### 1.

**A**LTHOUGH the Birmingham Municipal Bank came into existence on the 1st September, 1919, the committee was not formally constituted until the Council meeting in November, the responsibility for setting up and working the permanent Bank having been delegated to the committee referred to in Part I, Chapter 6, paragraphs 8 and 9.

#### 2.

The Council on the 10th November, 1919, elected the following members to be the Bank Committee for the ensuing year :—

The Right Honourable the Lord Mayor (Alderman W. A. Cadbury, J.P.).

Councillor C. T. Appleby.

Alderman J. Beard.

Neville Chamberlain, Esq., M.P. (as a non-Council member).

Councillor J. Fryer.

Councillor R. R. Gelling.

Eldred Hallas, Esq., M.P. (as a non-Council member).

Councillor C. Keatley.

Alderman W. E. Lovsey, J.P.

Councillor Mrs. C. E. Mitchell.

Councillor N. Tiptaft.

Councillor G. Ward.

Alderman T. O. Williams.

At their first meeting the committee unanimously elected Councillor Appleby as chairman.

## 3.

On the 9th November, 1920, the following members were appointed :—

The Right Honourable the Lord Mayor (Alderman W. A. Cadbury, J.P.).

Councillor C. T. Appleby.

Alderman J. Beard.

Neville Chamberlain, Esq., M.P. (as a non-Council member).

Francis W. Daniels, Esq. (as a non-Council member representing School Savings Banks).

Councillor J. Fryer.

Councillor R. R. Gelling.

Eldred Hallas, Esq., M.P. (as a non-Council member).

Councillor C. Keatley.

Alderman W. E. Lovsey, J.P.

Councillor E. J. Parnell.

Councillor N. Tiptaft.

Councillor G. Ward.

Alderman T. O. Williams.

Councillor Appleby was re-elected chairman.

## 4.

On the 9th November, 1921, the membership of the committee was as follows :—

The Right Honourable the Lord Mayor (Alderman David Davis, J.P.).

Councillor C. T. Appleby.

Neville Chamberlain, Esq., M.P. (as a non-Council member).

Francis W. Daniels, Esq. (as a non-Council member representing School Savings Banks).

Councillor J. Fryer.

Councillor R. R. Gelling.

Eldred Hallas, Esq., M.P. (as a non-Council member).

Councillor H. Higgins.

Alderman W. E. Lovsey, J.P.

Councillor E. J. Parnell.

Councillor J. Poole.



A detailed map of the Birmingham area, showing the city's layout, major roads, and surrounding districts. The map is oriented with North at the top. Key locations labeled include Perry Common, Brookvale, Erdington, Pipe Hayes, Birchfield, Aston, Handsworth, Farnworth, Hockley, Rotton Park, Spring Hill, Head Office, Bordesley Green, Little Bromwich, Stechford, and Small Heath. The map also shows the River Sever and the city's boundaries.





● Denotes existing Banks.

▲ Denotes prospective Banks.



Councillor J. R. Stephens.

Councillor N. Tiptaft.

Alderman T. O. Williams.

Councillor Appleby was again re-elected chairman.

5.

On the 9th November, 1922, the following were appointed :—

The Right Honourable the Lord Mayor (Alderman David Davis, J.P.).

Councillor C. T. Appleby.

The Right Honourable Neville Chamberlain, M.P. (as a non-Council member).

Francis W. Daniels, Esq. (as a non-Council member, representing School Savings Banks).

Councillor J. Fryer.

Councillor R. R. Gelling.

Eldred Hallas, Esq. (as a non-Council member).

Councillor H. Higgins.

Alderman W. E. Lovsey, J.P.

Councillor J. Poole.

Alderman H. Simpson.

Councillor J. R. Stephens.

Councillor N. Tiptaft.

Councillor J. Williams.

Councillor Appleby was again re-elected chairman.

6.

The Right Honourable Neville Chamberlain, M.P., having been appointed Chancellor of the Exchequer, felt it desirable that he should resign his membership of the committee at this stage, which he conveyed in the following letter :—

25th September, 1923.

Dear Town Clerk,

As you are aware, I have been a member of the Committee of the Municipal Bank ever since its foundation, the committee having been good enough to co-opt me when I ceased to be a member of the Council.

Owing to the increasing number of my parliamentary engagements, I have for some time been unable to attend meetings of the committee. Some months ago I suggested to

the Chairman that I ought to hand in my resignation. At his request, however, I agreed to postpone any action at least until November.

My appointment as Chancellor of the Exchequer now raises the question afresh. In my present capacity, it may very well fall to me to make decisions which materially affect the operations of the Bank ; and it is clear to me that I could not remain a member without grave impropriety. I desire, therefore, that my resignation should take place at once, and I accordingly ask you to receive it and to place it before the committee at the earliest possible moment.

In thus severing my official connection with the administration of the Bank, I should like to convey to my colleagues my deep admiration for the manner in which the affairs of the Bank have been directed since its foundation. It has now established itself solidly as one of the most valuable institutions in the town ; and it has set an example which may have a far-reaching influence upon the lives of future generations in other great centres of industry as well as our own.

I leave the committee with a happy confidence in the security of the Bank ; and of the even greater possibilities for usefulness that lie before it.

Believe me, dear Town Clerk,

Yours very truly,

NEVILLE CHAMBERLAIN.

The resignation was accepted in the following terms by the Bank Committee :—

RESOLVED :—That this committee learn with much regret of the resignation of their colleague, the Rt. Hon. Neville Chamberlain, M.P. ; they record their sincere appreciation of the valuable services he has so unselfishly rendered in connection with the formation and management of the Municipal Bank, and realise that his appointment to the high office of Chancellor of the Exchequer necessitates the severance.

# 7.

The committee for 1923 consisted of the following :—  
The Right Honourable the Lord Mayor (Alderman T. O. Williams, J.P.).

Councillor C. T. Appleby, J.P.

Alderman G. Cadbury, Junr.

Councillor P. H. Carter.

Councillor A. H. Cooper.

Councillor F. W. Daniels, J.P.



Councillor J. Fryer, J.P.

Councillor R. R. Gelling.

Eldred Hallas, Esq. (as a non-Council member).

Councillor H. Higgins.

Alderman W. E. Lovsey, J.P.

Councillor J. Poole.

Alderman H. Simpson.

Councillor J. R. Stephens.

Councillor Appleby became the chairman for the fourth year.

On the change of Government in January, 1924, the City Council took steps to appoint Mr. Chamberlain as a non-Council member of the Bank Committee.

8.

On the 10th November, 1924, the following members were elected the committee for the ensuing year :—

The Right Honourable the Lord Mayor (Alderman Percival Bower, M.B.E., J.P.).

Councillor C. T. Appleby, J.P.

Councillor H. Barrow.

Councillor P. H. Carter.

The Right Honourable Neville Chamberlain, M.P. (as a non-Council member).

Councillor A. H. Cooper.

Councillor F. W. Daniels, J.P.

Councillor R. R. Gelling.

Eldred Hallas, Esq. (as a non-Council member).

Councillor H. Higgins.

Alderman W. E. Lovsey, J.P.

Councillor J. Poole.

Councillor E. W. Salt.

Alderman H. Simpson.

Councillor J. R. Stephens.

Councillor Appleby was re-elected chairman for the year. Mr. Chamberlain, having again accepted office in the Government—this time as Minister of Health—again

resigned his membership of the committee, and addressed the following letter to the chairman :—

14th November, 1924.

Dear Councillor Appleby,

Now that I have again accepted office in His Majesty's Government, I feel I ought not to retain my membership of the Bank Committee, as although my connection is not as close as when I was Chancellor of the Exchequer, it is nevertheless possible that questions affecting the Bank might arise for Cabinet decision.

I therefore ask you to be good enough to accept my resignation, but I need hardly say that I shall at all times retain my interest in the Bank, and my desire to be of service whenever possible.

Yours sincerely,

NEVILLE CHAMBERLAIN.

The letters from Mr. Chamberlain indicate in no uncertain manner his interest in the Bank, and it is reasonable to assume that if circumstances render it possible we shall again have the benefit of his services as a member of the committee.

9.

For 1925 the following were appointed :—

The Right Honourable the Lord Mayor (Alderman Percival Bower, M.B.E., J.P.).

Councillor C. T. Appleby, J.P.

Councillor J. Baldwin-Webb.

Councillor A. H. Cooper.

Councillor F. W. Daniels, J.P.

Councillor R. R. Gelling.

Eldred Hallas, Esq. (as a non-Council member).

Councillor T. Hampson.

Alderman W. E. Lovsey, J.P.

Councillor J. Poole.

Councillor E. W. Salt.

Alderman H. Simpson.

Councillor J. R. Stephens.

Councillor A. H. Wright.

For the sixth year Councillor Appleby was re-elected chairman, and continued to act right up to his death in May, 1926, which is referred to in a later chapter. To find a

successor was not an easy matter, for Councillor Appleby had given so much time and attention to the Bank. It gave general satisfaction, however, when it was announced that the Lord Mayor (Alderman Percival Bower) had accepted the chairmanship.

## 10.

Alderman Bower had occupied the office of Lord Mayor for fifteen months, and was in the thick of a very busy period, but he felt it to be his duty to accept the invitation of the Bank Committee. Although his Municipal activities were more closely concerned with other Corporation departments prior to his appointment as Lord Mayor, Alderman Bower has always been an eloquent advocate for the Bank, and has urged its advantages to audiences up and down the country. He is deservedly held in high esteem by the citizens; evidence of this has been pronounced at the Branch Bank openings, where his attendance has proved a great attraction.

## 11.

Having taken up the reins of office, Alderman Bower threw himself heart and soul into the work; his faith in Municipal banking cannot be moved. Alderman Bower received the honour of knighthood in January, 1927, an honour conferred in recognition of his signal services during two years' Lord Mayoralty.

## 12.

On the 9th November, 1926, the Council appointed the Bank Committee for the ensuing year as follows :—

The Right Honourable the Lord Mayor (Alderman A. H. James, C.B.E., J.P.).

Alderman Sir Percival Bower, M.B.E., J.P.

Councillor A. H. Cooper.

Councillor F. W. Daniels, J.P.

Councillor R. R. Gelling.

Councillor T. Hampson.

Councillor R. H. Hume, M.A.

Alderman W. E. Lovsey, J.P.

Councillor J. Poole.

Councillor E. W. Salt.

Alderman H. Simpson.

Councillor F. Stanley.

Councillor J. R. Stephens.

Councillor A. H. Wright.

Alderman Sir Percival Bower was re-elected chairman.

## CHAPTER 5.

### THE HEAD OFFICE OF THE BANK.

#### 1.

**R**EFERENCE has been made to the original accommodation provided for the Head Office of the Bank in the Council House. Beginning in a very small way in the semi-basement of the Water Department building, we became joint users of the service-laying office. Our next step was to take over the whole of that section of offices. The third move was to use a large portion of the long counter of the Water Department upstairs as well as the semi-basement rooms. Our fourth change was to take over an area approximating to half of their general office, with a number of other rooms, the semi-basement premises being surrendered to the Motor Taxation Department.

#### 2.

The Bank never had a surplus of accommodation for its Head office, but what would have happened if the Water Department had not been favourably disposed towards it? Every time we have, like *Oliver Twist*, begged for more room, the Water Department has done its best to help us but the time arrived when our requests could no longer be met, and we were compelled to seek other premises, and by doing so, assist in easing the congestion at the Council House. The offices, known as Nos. 6 and 8 Edmund Street, having been bought by the Corporation, were placed at the disposal of the Bank, and after reconstruction of the premises, we left the old Council House for the new quarters.

#### 3.

It was regarded as a red-letter day when the Bank had its own self-contained Head Offices, and a large gathering of members of the City Council and others assembled on the

6th July, 1925, to witness the opening of the premises by the Right Hon. Neville Chamberlain, M.P. (Minister of Health).

## 4.

The Lord Mayor (Alderman Percival Bower) presided over the ceremony, and commenced the proceedings by saying :—

How peculiarly fitting it is that Mr. Chamberlain should perform the ceremony, having regard to the intense interest he has shown in the work of the Bank, for the inauguration of which he is mainly responsible.

I venture to suggest that when the history of the city comes to be written, not only will the name of Mr. Chamberlain figure well in its pages, but not the least memorable part of his Municipal activities will be associated with what I feel sure both Mr. and Mrs. Chamberlain must be extremely proud of, namely, that the infant in the form of the Municipal Bank has grown in the manner it has, and now takes such a part in the lives of the citizens that it enables the citizens in many cases to secure themselves against adversity and want.

Mr. Chamberlain was presented with a silver key in commemoration of the occasion, and in accepting it said :—

The occasion is indeed a memorable one for me. The Lord Mayor has alluded to the circumstances in which the Bank started, and I recollect well the moment when the thought first came into my mind as I was crossing Chamberlain Square one day.

Wonderfully indeed have our anticipations been fulfilled, and more than fulfilled ; and I shall never cease to pay tribute to those who helped me at the start, and who have since carried on the work to the wonderful proportions which it has attained to-day.

This key, which is itself the symbol adopted by the Bank, which denoted security to those associated with it—I shall always treasure, and shall be proud to hand it on to my children.

Speaking at a luncheon in celebration of the occasion, Mr. Chamberlain gave a retrospect of the Bank and expressed his pleasure at seeing Alderman Gregory and Mr. Eldred Hallas present, two stalwarts who had given him their powerful help in setting the Bank up. Proceeding, he said :—

What is the secret of progress so astonishingly rapid and complete ? It is only fair to say the Bank had been conducted by a committee distinguished for its businesslike qualities and



AN EFFECTIVE ADVERTISEMENT.



SPARKBROOK BRANCH.  
*Temporary Premises.*





SPARKBROOK BRANCH.  
*Permanent Premises.*



KINGS HEATH BRANCH.

has a staff which have shown an example of devotion and loyalty; but they will be the first to say that credit for the progress is not due to that alone.

I think in the Bank we have hit upon an institution which is peculiarly adapted to Municipal administration. The essence of success in a savings bank is that the depositors should have absolute confidence in the security of the institution, and in a Bank of this kind they have not merely the material security of the rates behind the Bank, but also a long-established familiarity with local administration; a sense that those who are conducting the affairs of the Bank are the elected of the people, are responsible to them, and can be called to account for all they do or leave undone. We have in our local administration the very essence of success in the confidence of the citizens.

There is another advantage which has only become apparent now. By accumulating the savings of the poorer sections of the community we can forge an instrument capable of great things, and all connected with finances of a city know that great as are its resources they are not illimitable, and that anything that can harness the multitude to the financial car is going to add very materially to the resources of the town.

I can conceive there may be even further opportunities for our institution to use its resources for the purpose of the collective ownership of houses for the working-classes, and thus relieve materially the tremendous drain upon the resources of the city, which will be necessitated by any great extension of schemes added to the already huge volume of money poured out on the building of new houses.

I believe it is common ground among all political parties that it is desirable that tenants of houses should be responsible for their own rates, if they are to understand the duties and responsibilities as well as the right of citizenship.

Obviously, if the Bank can step in and be the agent for the collection of these rates it may do a great deal towards the simplification and cheapening of the administration. Whilst I understand there are technical difficulties in the way to-day, I hope in time they may be swept away by the passage into law of the new Valuation and Rating Bill.

The Bank has established itself in the confidence of the people; it is a great educational force; it is inculcating the virtues of thrift; it is a staff which is aiding many a wanderer along the path of life to plant his steps more securely, and is a very potent means of harnessing the savings of the working-classes and utilising them for the benefit of every single individual of the community.

## 5.

The opening of branch Banks in various parts of the city has not resulted in any reduction of the transactions at Head

Office ; in fact, the reverse has been the case. The Head Office depositorship has continued to increase, while the House Purchase Department has shown a remarkable development during the last two years.

In the Savings Bank Department the depositorship has grown from 17,381 at the 31st March, 1920 to 36,009 at the 31st March, 1927, the transactions have increased from an average of 1,633 per week to 3,084 per week.

In the House Purchase Department the number of mortgages in operation has increased from 136 to 5,380 in the same period.

6.

It will be realised that the position at the Head Office is different from that of a branch. The Head Office acts as a clearing-station for branch transactions ; it is the centre for the amalgamation of the Bank's figures and must maintain its statistical and accountancy departments. The general correspondence of the Bank is conducted from Head Office, and large supplies of printing and stationery have to be stocked there and periodically distributed to branches.

7.

The accommodation question has become a serious matter, and is engaging the attention of the committee. It is not easy to find adequate premises, centrally situated, which can be made suitable for the Head Offices of the Bank, but the existing conditions call for action, as the depositors know only too well.

## CHAPTER 6.

### ADVERTISING THE BANK.

#### I.

**T**HAT the Bank Committee realise the value of advertising is well known. A compliment was paid to our activities in this direction by the *Daily Express* in December, 1924.

#### 2.

In March, 1920, the Bank had a stand at the National Trades Exhibition at Bingley Hall, which was the means of 1,125 depositors being enrolled; the following year the experiment was repeated. In July, 1920, a stand was taken at the Exhibition held under the auspices of the Royal Sanitary Institute; while in 1925, 1926 and 1927 the Bank was in evidence at the British Industries Fair at Castle Bromwich.

#### 3.

Picture-house and theatre screens, and billposting stations have been used to advertise the Bank, while the publicity afforded by the newspapers, and by magazines having an important local circulation, has not been overlooked.

#### 4.

The great opportunity which our tramcars and omnibuses provide for effective advertisement has been seized, and a visit to the city will soon acquaint the visitor of the fact that we have a Municipal Bank. The photograph on page 88 tells its own story. The registered key of the Bank is neatly worked in the glass panels of the doors of tramcars, and constitutes a permanent advertisement. The Bank is indebted to Mr. Alfred Baker, the General Manager of the

Tramways Department, for his hearty co-operation in this respect. The vehicles which take house refuse to the destructor have, likewise, pointed out the advantages of the Bank.

## 5.

Notice-boards at the various railway stations have been used to make the Bank well known ; the gardening calendars distributed by the Estates Department to Municipal tenants remind one of the Bank ; the police band programmes, throughout the summer season, tell us about it, while publications by the Baths and other Departments often contain a reference to the Bank. The large keys of the registered design fixed outside our branch Banks and at Head Office, illuminated at night, are very effective.

## 6.

Lectures illustrated by lantern slides, are frequently given by members of the committee and senior officers of the Bank. There is scarcely a Labour organisation in Birmingham which has not included in its programme a lecture on the Bank—some of them, like *Oliver Twist*, have asked for more. Unionist organisations have also enlightened their members by arranging Bank lectures, while numerous religious and social bodies continually call for similar lectures. Although financial subjects are not, as a rule, very interesting to an audience, we appear to be able to make our lectures interesting, judged by the repeated requests for them. The great advantage we possess, in being able to call upon members of the City Council to give these lectures, is invaluable. That is a service which a Municipal Bank can command ; it is something which a private organisation lacks, and the explanation is simple—these speakers are talking about something which is their own.

## 7.

But the greatest advertisement of all is the Bank pass book in the possession of our citizens ; it is a constant reminder of a Bank which exists for their benefit and is a real friend to them.

## CHAPTER 7.

### THE FIRST PERMANENT BRANCH BANK.

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#### SPARKBROOK.

##### I.

WE were fortunate in the Sparkbrook area in our search for premises, and were able to procure the shop No. 163 Stratford Road, in which we commenced a daily branch on the 1st September, 1919. This shop, and the one adjoining, which had been used by a green-grocer, were ultimately purchased, and a reconstruction scheme carried out. The architect responsible for the design of this first permanent branch was Mr. Gerald McMichael, A.R.I.B.A., of Birmingham. The design avoids undue elaboration, yet it gives a feeling of stability. The design has, in the main, been followed in other alteration schemes and for new erections, as will be seen from the illustrations.

##### 2.

These reconstructed premises, constituting the first permanent branch of the Bank, were formally opened by Mr. Neville Chamberlain, M.P., on the 25th July, 1921, the Lord Mayor (Alderman W. A. Cadbury) presiding. Speaking to the gathering assembled on that occasion, Mr. Chamberlain said :—

When I look at the position to-day, I cannot help thinking of the marvellous progress that has been made. It reminds me of the tale of the man who set out to catch a boat. The boat was just leaving the quay, and being anxious to catch it the man took a running jump and landed on the vessel a trifle dazed. On recovering himself and looking round he noticed the boat was some distance from the quay and exclaimed, "My, what a jump !"



Those of us who have been associated with the movement from the beginning, feel that the Bank will be an immense bulwark in the sense of security, contentment and self-respect of the community, and the remarkable progress of the Bank gives me much satisfaction.

3.  
Mr. Eldred Hallas, M.P., in proposing a vote of thanks, said :—

The Bank is bound to succeed ; it has gained an assured position and justified the action of those who proceeded with the scheme in the early days. The opportunities are unlimited ; I can conceive of the time when the ordinary floating of Corporation stock will pass away.

The name of Mr. Chamberlain will always be associated with it. The father of Mr. Chamberlain established things, did things, accomplished things, in this city, and his name lives on that account. His worthy son will always be able to look at the time when, after much hard work in piloting Bills through the House of Commons, the Bank came into existence. It is an example of something actually done.

4.  
The end of 1926 saw a further enlargement of the Bank completed, and to-day Sparkbrook is one of the largest and busiest branches.

5.  
The depositorship of the Sparkbrook branch has grown from 4,870 at the 31st March, 1920, to 15,430 at the 31st March, 1927, while the transactions have increased from an average of 903 per week to 1,395 per week.



## CHAPTER 8.

### VARIOUS SAVINGS SCHEMES.

#### I.

**I**T was natural that with the establishment of the Bank on a permanent basis, many voluntary organisations dealing with savings should seek to associate themselves with the Municipal Bank, while others took occasion to transfer their responsibilities to it. Amongst these may be mentioned the Birmingham Provident Collecting Bank in connection with the Birmingham Citizens' Society. This old-established collecting agency, which had done good work amongst the poorer sections of the community, decided to hand over to the Bank the funds and to discontinue operations at the end of 1919. At that time there were 5,542 contributors and seventy-six collectors engaged. For a time the band of voluntary workers continued to act in the same way as they had done for years, but as the people became accustomed to using the Municipal Bank the need for house-to-house collections ceased to exist. Another organisation which adopted a similar course was the Birmingham Women's Settlement, whose funds were also merged in the Bank. In this case there were 225 contributors and nineteen collectors. The collection arrangements have been continued in a modified form. The voluntary workers collect small sums from contributors, and pass same to the Bank to be dealt with in the usual way.

#### 2.

The Adult Schools Movement, which has been prominent for many years in teaching habits of thrift amongst its members, is now associated with the Municipal Bank. The

Stirchley Women's Meeting Class is another organisation introduced to the Bank by the then Lady Mayoress (Mrs. W. A. Cadbury). The Y.M.C.A. organisation, which covers a wide field of useful work, and interests itself in thrift schemes, conducted for some time miniature branch Banks at their various centres. Mr. W. S. Body, in connection with the Small Heath Brotherhood, has worked a very successful scheme for saving in conjunction with the Bank. His enthusiasm has resulted in many depositors being enrolled.

## 3.

Many schemes have been introduced for saving amongst workpeople to meet the particular wishes of those concerned, while some firms have distributed bonus payments through the Bank. In this direction special mention should be made of Messrs. Cadbury Brothers, who have disbursed large sums to their workers through the Bank. Societies and organisations, too numerous to mention in detail, have realised the convenience of the facilities offered by the Bank.

## CHAPTER 9.

### THE SECOND AND THIRD PERMANENT BRANCH BANKS.

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#### KINGS HEATH.

##### I.

A ROOM in the institute in Institute Road served as the first home for this branch, and business was transacted therein from the 1st September, 1919, on Monday, Friday and Saturday evenings. Apathy, observed in other districts where institutes and like buildings were used, was again noticeable, and the committee came to the conclusion that the sooner other premises were secured the better. The opportunity presented itself of purchasing the shop premises at No. 73 and No. 73a High Street, and the branch was transferred thereto on the 25th June, 1920.

##### 2.

Increased business immediately became noticeable, and it was decided to structurally alter the premises. Owing to the Rent Restrictions Acts and the requirements of the town-planning scheme, it was impossible, however, to carry out a complete reconstruction, but the partially altered premises were finished and opened on the 24th April, 1922, by Councillor Appleby.

##### 3.

Speaking on that occasion Councillor Appleby said he hoped the residents of Kings Heath would appreciate the improvement which had been effected, and that they would justify the faith the committee placed in them by using the Bank. He pointed out that if only wage-earners would realise the enormous advantage of using the Bank, and pay cash for what they wanted, the system of credit trading would not flourish as it did.

##### 4.

The development of the branch has now made it necessary to provide adequate accommodation, and as further alterations would not be likely to give the required space,

the committee have decided to build a new Bank on the land at the rear, which will have a frontage to the prescribed building line.

## 5.

The depositorship of the Kings Heath branch has grown from 370 at the 31st March, 1920, to 6,630 at the 31st March, 1927, while the transactions have increased from an average of 57 per week to 763 per week.

## BALSALL HEATH.

## 6.

This branch was opened at No. 148 Mary Street on the 1st September, 1919, and business transacted in the front room of the house every Monday, Friday and Saturday evening. It soon became evident that more accommodation would be required and the opportunity was seized of purchasing shop premises situate at No. 526 Moseley Road which were reconstructed to meet the needs of a Bank.

## 7.

These premises were opened on the 4th September, 1922, by Mr. Eldred Hallas, M.P., who said :—

Those who took part in the formation of the Bank looked further ahead than the end of the war. They visualised the possibility of the establishment of a permanent Bank which would be the means of inducing the population to subscribe to their own funds for the purpose of financing their own public institutions and Municipal services at a profit to themselves.

The success of the permanent Bank has been such that one in every ten of the entire population of the city is a member of the Bank.

## 8.

Further accommodation was subsequently provided by purchasing the adjoining shop, No. 528, Moseley Road, and by amalgamating the two premises we now have a building as shown in the illustration.

## 9.

The depositorship of the Balsall Heath branch has grown from 909 at the 31st March, 1920, to 9,054 at the 31st March, 1927, while the transactions have increased from an average of 177 per week to 1,093 per week.

## CHAPTER 10.

### THE HOME SAFE.

#### 1.

**I**N May, 1922, the committee decided to introduce the home safe, a receptacle particularly suitable for teaching children to save, and useful to adult depositors living some distance away from the nearest branch Bank. Credit must be given to the late Mr. Hallas for the introduction of home safes ; it was largely due to his advocacy that they became part of the machinery of the Bank.

#### 2.

Similar safes had been in use in some of the trustee savings banks, the Post Office Savings Banks, and certain building societies, for many years. One of the largest users of home safes was the Manchester and Salford Savings Bank, whose actuary (Mr. L. D. Stewart) was a great enthusiast for this method of saving. We visited Manchester to look into the arrangements, and ascertained what had been achieved by this method. We found that home safes of a foreign make were the only ones obtainable, although, before the war, Messrs. Kynoch of Witton had made such safes.

#### 3.

The committee were impressed with the results obtained in Manchester, and decided that if home safes could be made in Birmingham, they should be introduced.

#### 4.

Enquiries were made in several directions but there was no keenness on the part of engineering firms to accept an order. The cost of putting down machinery and making

the necessary tools, together with the risk of repeat orders, caused several firms to turn down the suggestion. At last, however, Messrs. Wilkins & Wright, of Kenyon Street, decided to make 2,500 safes of an approved design, very much like those in use in Manchester. These safes were quickly taken up by depositors, and repeat orders were placed. Messrs. Taylor, Law & Co., of Adams Street, have also made home safes for us.

## 5.

The introduction of the B.M.B. home safe led "Robin Goodfellow" in the *Birmingham Mail* to versify its claims as follows :—

## THE SONG OF THE HOME SAFE.

I am modest in proportion,  
Quite a miniature affair ;  
But I show you how to treasure  
Ev'ry copper you can spare.

From the smallest of beginnings,  
You will find I quickly teach  
How to climb by gentle stages,  
How the topmost rung to reach.

For, remember the old adage  
That a penny saved is earned ;  
There can be but sad reflections  
On the money that is burned.

Take me, therefore, to your bosom,  
And wherever you may roam,  
You will find a friend, if need be,  
In your little safe at home.

## 6.

The Birmingham Municipal Bank home safe is a neat and strongly-made steel receptacle with a slot at one end, through which coins pass, and the mechanism is so ar-

ranged that the coin cannot be extracted through the slot. The safe is issued in a locked condition and the key kept by the Bank ; it cannot, therefore, be opened in the home, but the owner takes it to the Bank and transfers the contents to his account from time to time.

## 7.

The popularity of the home safe movement is demonstrated by the following figures, which set forth the number in the homes of depositors at different periods :—

At 31st March, 1923	...	...	2,469
„ „ „ 1924	...	...	6,030
„ „ „ 1925	...	...	11,052
„ „ „ 1926	...	...	14,557
„ „ „ 1927	...	...	18,383

By this method the sum of £154,134 has been deposited, and 6,924 new accounts opened.

## 8.

Parents have an opportunity of teaching the thrift habit to their children by means of the home safe, a habit which will have an important bearing on their future life. The exhortation to “take care of the pence and leave the pounds to take care of themselves,” might, with advantage, be urged to-day.

## 9.

H.R.H. the Duke of York was particularly impressed with our home safe when he visited the British Industries Fair at Castle Bromwich in February, 1926. He made enquiries at the stand of the makers, and later at the Bank stand where he examined a large model. Seeing a card attached announcing that deposits placed in that model would be passed on to the hospitals, he slipped a treasury note through the aperture, an example followed by his Royal brother, the Prince of Wales, a few days later.





## CHAPTER II.

### THE FOURTH, FIFTH, SIXTH AND SEVENTH PERMANENT BRANCH BANKS.

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#### SMALL HEATH.

##### I.

THE difficulties experienced in finding accommodation were particularly vexing at Small Heath, as there was an assured depositorship in this area from the temporary Bank. It was essential a start should be made somewhere, so the superintendent engineer of the Baths Department (Mr. R. Hoggins) came to our rescue by making arrangements for the temporary use of one of the ticket offices in the Green Lane Baths. Thus, instead of issuing soap and towels through this office we received deposits from the 1st September, 1919.

##### 2.

On the 8th October, 1919, the branch was transferred to No. 417 Coventry Road. This was an improvement, although the premises could not be looked upon as permanent. They could, however, claim "a certain liveliness," in that we had a joiner and carpenter plying his trade on the floor above, entertaining us with the hammering of wood and the swish of the saw. By way of variation he occasionally enlivened the proceedings during the dinner hour with tunes from his violin !

##### 3.

Pressure for further accommodation resulted in the purchase of the dwelling-house No. 479 Coventry Road,

and its conversion into a suitable Bank by amalgamating two of the ground floor rooms.

## 4.

These reconstructed premises were opened on the 25th September, 1922, by the Lord Mayor (Alderman David Davis) who, during the course of his remarks, said :—

When the history of the activities of the city of the last decade comes to be written, the historian will have many good things to say as to what Birmingham has done. Most of it will be in connection with the great war. Many good things have been done, and the city has, on many occasions, set an example to the rest of the country, which has been followed to the advantage of citizens in other large towns.

But I venture to think nothing that has happened in connection with the Municipality has done more good and is likely to become more successful, than the institution of the Municipal Savings Bank.

It enables the youngest to share in its activities ; it teaches them the principles of thrift ; and the examples which the children set will be imitated by the fathers and mothers who will see there is something more than merely receiving their wages on Friday and spending them on Monday, because they will be able to recognise there comes sooner or later a sad time for most of us.

Other Municipalities are watching Birmingham very closely, and many desire to follow in her footsteps. A deputation from a neighbouring borough is visiting the city to-morrow to see how we do the trick, and how they can do the same for the benefit of their own people ; and I believe the time will come—unless the joint stock banks are too powerful and prevent Parliament passing the Bill—when other Municipalities must have the same facilities for enabling their people to save as Birmingham already possesses.

## 5.

Small Heath depositors have been so enthusiastic that they have compelled the committee to provide additional accommodation. It was no uncommon sight to see the queue system in operation, particularly at nights. Steps were taken to enlarge the premises by erecting a building, along Langley Road and joining it to the existing premises.

## 6.

The depositorship of the Small Heath branch has grown from 2,392 at the 31st March, 1920, to 16,458 at the



BALSALL HEATH BRANCH.



THE "B.M.B." HOME SAFE.

31st March, 1927, while the transactions have increased from an average of 371 per week to 1,681 per week.

ASTON.

7.

The accommodation for this branch was in a room at the council house in Albert Road, which was used from the 1st September, 1919. To mount a flight of steps and traverse a landing in order to deposit money in a Bank is scarcely an attractive way of encouraging depositors. Those who became depositors and used this accommodation in the early days were real enthusiasts.

8.

Fortunately it was not long before we were able to secure the shop premises, No. 22 High Street, and on the 1st December, 1919, the branch was transferred thereto. At the time we contented ourselves with the shop portion only, but the development of the branch was so rapid that we had to face the inevitable reconstruction. This could not be regarded as a satisfactory or final arrangement, but it was necessary to do something to ease the position, so the work proceeded. During the alterations we had to transfer the branch to shop premises across the street.

9.

The opening of the reconstructed premises took place on the 17th February, 1923, the ceremony being performed by Alderman W. E. Lovsey, J.P. In his breezy way he told us we were making history that day, although he would not admit that Aston was without previous history. He referred to Aston Hall with its fine Tudor architecture, known throughout the length and breadth of the land ; and he recounted the history of a certain lion hunt, which ended in the capture of the beast when it came in contact with a Corporation drain. In Aston, we also learned, the champion snorer, whose noise was said to resemble a human earthquake, was discovered. Independent of these records, Alderman Lovsey prophesied that the greatest historic event to be recorded in Aston would be the opening of that

branch of the Municipal Bank. While being a great improvement on the previous accommodation, he thought the premises would prove too small for the thousands who would become depositors.

## 10.

These opinions were correct. The depositorship was growing so quickly that it was decided to buy the adjoining premises, No. 24 High Street, and amalgamate them with the existing branch, resulting in a building such as we see illustrated on page 109.

## 11.

The depositorship of the Aston branch has grown from 2,144 at the 31st March, 1920 to 13,200 at the 31st March, 1927, while the transactions have increased from an average of 328 per week to 1,561 per week.

## ASTON CROSS.

## 12.

On the 1st November, 1920, a daily branch was opened in the small shop situate at No. 1 Park Road. This was the first time the experiment had been tried of giving daily facilities in an area which had not been developed as an evening branch in the first instance, but it was felt that the population around the "Cross" was sufficient to justify the experiment. As often happens, the bold policy paid. It was soon found that larger premises would be necessary, and when the chance came of purchasing No. 101 Aston Road North, the committee seized the opportunity. A reconstruction scheme was carried out on similar lines to those in other districts.

## 13.

To Councillor R. R. Gelling fell the honour of declaring the new premises open on the 28th April, 1923, a fitting recognition of his enthusiastic work for the Bank. Addressing the gathering, Councillor Gelling said he was sure the residents of Aston Cross would support the Bank in just as keen a manner as residents were doing in other

areas ; the more so as they now possessed reasonable premises in which to transact their business.

14.

History repeated itself at Aston Cross, for business increased to such an extent that the premises proved inadequate, and steps were taken to acquire the adjoining shop, No. 99 Aston Road North. By amalgamating the two premises we have been able to provide a satisfactory branch.

15.

The depositorship of the Aston Cross branch has grown from 576 at the 31st March, 1921, to 8,279 at the 31st March, 1927, while the transactions have increased from an average of 131 per week to 1,047 per week.

SELLY OAK.

16.

This branch was first housed in a room in the institute on Bristol Road, and for some years that accommodation had to suffice. It was difficult to induce people to do their banking in this room, one reason being there was too much publicity ; another reason was uncertainty as to the particular room which would be used, owing to the demand for accommodation at the institute being so great

17.

Every Monday, Friday and Saturday evening, commencing from the 1st September, 1919, business was transacted in this room until we could obtain premises situate at Nos. 523 and 525 Bristol Road. These premises consisted of two shops and dwelling-houses, which were converted into a Bank and opened on the 10th February, 1923, by the Lord Mayor, Alderman David Davis.

18.

In addressing the people assembled at the opening ceremony, the Lord Mayor said the Bank had brought home to them the necessity of being very careful in good

times, and of putting something away so that they might have money at their disposal when bad times came, keeping them away from the Guardians and making them independent of private charity.

19.

The depositorship of the Selly Oak branch has grown from 735 at the 31st March, 1920 to 4,253 at the 31st March, 1927, while the transactions have increased from an average of 115 per week to 471 per week.



## CHAPTER 12.

### SCHOOL SAVINGS BANKS.

#### 1.

FOR many years the Education Committee had conducted savings Banks in the elementary schools of the city. These Banks were worked by the teachers in a manner somewhat similar to that in operation in other parts of the country. It was the general practice for scholars to receive back their savings when they left school, but with a Municipal Bank in existence, it was natural that means should be provided whereby the accumulated savings of the scholar should be transferred to an account in his name in the Municipal Bank.

#### 2.

In order to establish such a continuous chain, a deputation visited Leeds in 1920 to enquire into the system worked in conjunction with the Yorkshire Penny Bank. It was found that although the system was similar to the one in Birmingham, it included arrangements whereby a transfer was effected from the scholar's account to a Bank account as soon as the sum of £1 had been accumulated. The officials of the Yorkshire Penny Bank attached great importance to this early Bank contact with the scholar.

Visits have also been paid to Perth and York, where school savings banks are successfully worked. In particular, we were very much impressed with the Perth system and its results, which are largely due to the keenness and enthusiasm of the teachers and the organising ability of Mr. W. A. Barclay, actuary of the Perth Savings Bank, who is a renowned authority on school savings bank work.

#### 3.

The scheme in force in Birmingham preserves the

separate identity of the school savings bank while associating it with the Municipal Bank, and provides for the transfer of the amount standing to the credit of the scholar in the school bank to an account in his name in the Municipal Bank six months before leaving school.

## 4.

It was arranged that the treasurer of the school savings bank should be co-opted as a member of the Bank Committee, and, accordingly, Mr. F. W. Daniels was so appointed by the City Council on the 9th November, 1920, and has continued his membership since that date.

## 5.

The figures given below show the transactions which have taken place :—

	<i>Amount deposited.</i>			<i>Amount withdrawn.</i>			<i>Accounts transferred to Municipal Bank.</i>
	£	s.	d.	£	s.	d.	
13 months ended 31st March, 1922..	48,111	0	7	42,966	12	3	302
Year ended 31st March, 1923 ..	42,556	14	8	41,337	18	5	57
" " " " 1924 ..	49,335	13	5	44,337	11	1	69
" " " " 1925 ..	48,982	1	3	50,030	17	1	363
" " " " 1926 ..	47,312	6	1	47,949	6	9	392
" " " " 1927 ..	41,866	19	6	42,599	15	4	212

The table indicates very little movement in the amounts of savings or the number of accounts, and the possibility of improving the arrangements in such a way as to give better results is exercising the minds of members of the Education and Bank Committees at the present time.

## CHAPTER 13.

### THE EIGHTH, NINTH AND TENTH PERMANENT BRANCH BANKS.

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#### DUDDESTON.

##### 1.

**T**O commence a Bank in premises formerly used as a public-house is not an every-day experience but this happened when the "Highland Laddie," situate at No. 117 Great Lister Street, became a Bank. The old bar-parlour and smoke-room, the high bar counter, the familiar seats, the brass rails, the trade design in the windows—all evidences of its former use—were there. Commencing on the 1st September, 1919, as an alternate daily branch, worked in conjunction with Saltley branch, business was transacted on Mondays, Wednesdays and Fridays.

##### 2.

An opportunity arose of purchasing the premises and the adjoining house, and advantage was taken thereof. Slight alterations were made inside the old "pub" so as to provide a little more room, but nothing substantial could be done, owing to the operations of the Rent Restrictions Act. The branch developed rapidly, and Tuesdays were added to the days of business, while on the 1st November, 1920, daily openings were arranged.

##### 3.

Still progressing, a substantial reconstruction scheme was decided upon. During these alterations business was conducted in the front room of No. 119 Great Lister Street.

##### 4.

The Bank was honoured by having the premises opened by the Lady Mayoress (Mrs. David Davis) on the 17th

March, 1923, in the presence of a large crowd. The Lord Mayor (Alderman David Davis) and Mr. Neville Chamberlain, M.P., also attended the opening ceremony. Speaking on this occasion, the Vicar of Duddeston appeared in the role of prophet, for he said that in a few years the deposits in the Bank would be ten million pounds. Well, we have not quite reached that figure, but we are in sight of eight millions, so the Vicar can congratulate himself on his forecast. A generous and public-spirited action must be recorded in connection with this opening ceremony. Mr Alfred Ford, a well-known builder, had announced his intention of opening accounts for eighty-two boy scouts, who were lined up near the entrance doors. As soon as business commenced these scouts filed up to the counter to receive from the hands of the Lady Mayoress, the Lord Mayor and Mr. Neville Chamberlain, their pass books.

## 5.

With ever-increasing business, the question of accommodation became urgent in the autumn of 1926, and as possession had been obtained of the adjoining house, the committee decided to carry out an enlargement, which is now nearing completion.

## 6.

Duddeston cannot be called a salubrious neighbourhood, but it is one of the brightest spots in the history of this Bank. If the "takings" are not so large as those at other branches, they are just as welcome. The depositorship of the branch has grown from 1,015 at the 31st March, 1920 to 8,966 at the 31st March, 1927, while the transactions have increased from an average of 192 per week to 998 per week

## ROTTON PARK.

## 7.

This branch was first opened in an office at the corner of Dudley Road and Algernon Road, belonging to the Screw, Nut, Bolt and Rivet Trade Society. No other accommodation could be found, and it was through the good



H.R.H. THE DUKE OF YORK,  
*at the Bank Stand.*





SMALL HEATH BRANCH.



ASTON BRANCH.



offices of Mr. J. A. Garner, the secretary of the society, that we were able to get a start in this area on the 1st September, 1919, and carry on the branch each Monday, Friday and Saturday evening. Mr. Garner has been one of our keenest supporters, and at the works of Messrs. Guest, Keen & Nettlefold, where he conducted for some time a works bank under the temporary scheme, he was instrumental in persuading many people to join the Bank.

8.

The branch made headway to such an extent that when the chance came of acquiring Nos. 155, 157 and 159 Dudley Road, it was seized. Possession could only be obtained of the middle shop, but it was decided to take advantage of even that accommodation, and so the branch was transferred to 157 Dudley Road in July, 1920, and daily openings provided. Subsequently, No. 155 Dudley Road became vacant, and it was then decided to reconstruct the two premises. During the alterations the branch was transferred to a small shop situate at No. 7 Heath Street, but on the 16th June, 1923, the reconstructed premises were opened.

9.

The Right Hon. Neville Chamberlain, M.P. (Minister of Health) performed the opening ceremony the Lord Mayor presiding. On this occasion Mr. Chamberlain made an important speech, from which the following is an extract :—

I often ask myself what it is about the Bank which gives it such an extraordinary vitality and growth. Well, it is a well-managed bank ; it has certain obvious advantages compared with the Post Office in the facilities which it affords, especially in the matter of withdrawals. Its rate of interest is also attractive. But there must be something more than that, and the conclusion I have come to is that the secret of the success lies in the fact that it is associated with our Municipal system.

The depositors feel a special confidence in the Bank. They know that there is the security of the rates behind the Bank ; that there is a vigilant and watchful committee of the Council looking after it, and it seems to me that this connection with the Municipal system gives it a unique character and makes a special appeal to the working-classes.

You may call it Socialism if you like ; I have never been frightened by a name ; I do not care whether it is Socialism or not so long as it is a good thing.

I think our experience proves that the Municipal Savings Bank has advantages which other forms of savings banks have not. Well then, I say, all power to it, and it will be a good thing for this country if it should be further extended. Perhaps when I have emerged from my present troubles the question of Municipal Banks will be one of the subjects to which I will endeavour to give attention.

I have always thought it would be a good thing if more people were to pay their rates direct instead of through the rent. It would bring home to the people the responsibility as well as the privilege of citizenship. It would cause them to take a greater interest in the doings of their representatives. It would bring home that some of the more desirable reforms are also expensive and have to be paid for by the citizens in proportion to their means.

#### 10.

Councillor Simmons said he was glad to take part in the ceremony that day, particularly as there appeared to be a silver lining in the dark cloud of unemployment which had hung over him so long, and one of the first things he should do was to make use of the Bank. He regarded it as one of the finest things inaugurated for the benefit of the community.

#### 11.

The depositorship of the Rotton Park branch has grown from 749 at the 31st March, 1920 to 8,808 at the 31st March, 1927, while the transactions have increased from an average of 119 per week to 1,037 per week.

#### STIRCHLEY.

#### 12.

The first premises for this branch, which was opened on the 5th December, 1919, were situate at No. 1516 Pershore Road, the front portion of the house being used. Business was transacted on Mondays, Fridays and Saturdays, during evening hours. The period of tenancy, however, was limited, and the branch was removed to No. 1471 Pershore Road on the 5th November, 1920. While being an

improvement, the arrangement could only be regarded as temporary.

13.

Facing the position, the committee took steps to purchase Nos. 1505 and 1507 Pershore Road. Possession could not be obtained of No. 1505 Pershore Road, but rather than delay providing reasonable accommodation, it was decided to carry out a partial reconstruction scheme in connection with No. 1507 Pershore Road. This reconstruction was the first to be dealt with by the City Surveyor (Mr. H. H. Humphries) as architect. Since the Stirchley alterations the City Surveyor has carried out the majority of the reconstruction schemes and new erections for the Bank Committee. The scheme was devised so that immediately possession is obtained of the restaurant at No. 1505 Pershore Road the two premises will be amalgamated. It is regrettable that the full scheme could not be carried out at the time, because it would have been a great advantage to depositors and would have saved much expense.

14.

The altered premises were opened on the 29th October, 1923, by the Deputy Mayor (Alderman W. A. Cadbury), who appeared in the role of a fairy godfather. He deposited one pound in the Bank to be placed to the credit of the first baby born in the Stirchley district that day. Thus one lucky baby was "born to wealth" !

15.

The depositorship of the Stirchley branch has grown from 311 at the 31st March, 1920, to 4,458 at the 31st March, 1927, while the transactions have increased from an average of 76 per week to 504 per week.



## CHAPTER 14. THE HOUSE PURCHASE DEPARTMENT.

### I.

**T**HE development of the House Purchase Department has been phenomenal, and can be attributed to two factors, viz., the general publicity given since the war to the question of house ownership, and the inducements offered to citizens to purchase Municipal houses. Activities in this direction have been prominently brought before the public by such bodies as the Woodlands Housing Society, Weoley Hill Limited, the Bournville Works Housing Society, the Birmingham Mutual Housings Limited, and others, whilst many builders have contributed to this publicity by announcing easy terms of purchase.

### 2.

The procedure followed by the Bank admits of applications being dealt with expeditiously, providing full information is given on the application form and the title to the property is not complicated. The first step to take, after having selected a house, is to fill up an application form, and forward it to the Bank, with a nominal valuation fee of ten shillings. It saves time if the applicant brings the form personally to the Head Office so that any further information required can be obtained at once. Applicants must be depositors in the Bank, and the house must be within the city. The Bank does not advance money to an existing mortgagor, nor undertake to advance further money upon a house already in mortgage, unless an undertaking is given to discharge the one mortgage before the other is created.

### 3.

The next step taken is to have the house valued. As soon as the information in the case is complete the Bank

instructs its valuer to inspect the house and furnish a report, together with his valuation. The valuer, who is not a regular official of the Corporation, but a member of the profession in private practice, makes his inspections once or twice a week according to the number of applications to be dealt with, but if an urgent valuation is specially required it can be arranged between the applicant and the valuer on terms. In such cases the valuation and report goes to the applicant direct, but it will be accepted by the Bank, if an application is subsequently made, without any further fee being charged.

4.

On several occasions it has been suggested that the deposit of some given minimum amount should be an essential qualification before purchase facilities are allowed, but the housing situation has been, and still is, such as to call for few restrictions or limitations. Therefore, if a person is qualified as a depositor in the Bank, and is of full age, an advance towards the purchase will be granted if the security offered is satisfactory.

5.

The question is sometimes asked whether an advance can be granted to a married woman. It has always been the practice to grant such advances, providing the husband was made a party to the mortgage, but the committee realise there are cases where such a requirement should be waived, and they have taken a sympathetic view and made other arrangements on being satisfied that such a course was desirable.

6.

In the case of freehold property there is no question as to an advance being granted, providing the valuer's report is favourable, but in the case of leasehold property the lease must have fifty years unexpired to qualify for an advance. No distinction is made between pre-war or post-war houses, other than what is disclosed by the valuer's report.

7.

Depositors have the option of arranging the period of the loan up to a maximum of twenty years, but it is advisable

that applicants should arrange for repayments to be spread over twenty years in the first instance. The monthly repayment is governed by the amount and period of the loan, and, therefore, a lower figure applies in the case of a twenty years' loan than would be the case in a short-period loan. By deciding on the longer period the depositor is in a better position, if for any reason he finds it difficult to meet his monthly obligations. There is complete freedom to pay off the loan whenever the depositor wishes to do so, and so long as the minimum monthly amount is met, a depositor may pay as much in excess as he likes.

## 8.

In the early days, the amount which ought to be advanced on a post-war house presented a difficulty, owing to the uncertainty of values. For some time advances were granted up to 50 per cent. of the building cost, i.e., the contract price of the house, with a limitation of £800 in any single case; then the practice was varied by granting loans for ten years up to one-half of the contract price, for fifteen years up to one-third, and for twenty years up to one-fourth. But in December, 1921, the practice of basing the advance on the valuation was adopted, with a maximum of 80 per cent., and a limit of £1,000 in respect of a single house. Advances on pre-war houses have always been governed by the valuation. Up to December, 1921, loans up to 80 per cent of the valuation, with a limit of £600 on a single house, were made, but since that date the limit has been increased to £1,000, the percentage remaining as before. The reason for fixing a limit at all was to encourage citizens who do not require large houses to become house-owners instead of remaining as tenants. In the view of the committee there are ample opportunities available in other directions for dealing with the larger and more expensive class of property.

## 9.

It is not the desire of the Bank to assist speculation in house property; it is established for the purpose of helping citizens to buy houses to live in, or purchase those they



reside in. Consequently, we require an assurance that where the applicant is not already residing in the house it is his intention to do so. There are cases where one, two or more houses have to be purchased to secure possession of one, the vendor being unwilling to sell otherwise. The Bank is prepared to assist in these special cases to the extent of three houses, but beyond that number we do not go. Reasons often exist for purchasing two houses adjoining each other, such as a man desiring to have a relative living next door to him, and in such cases it is the policy of the Bank to help.

#### 10.

Some applicants would like the Bank to advance money on business premises, but it is not its function to do so. When applying for powers, the object of the Corporation in this matter was expressly stated, viz., to assist people to own their houses, and it was never intended to use the funds of the Bank to assist in the purchase of business premises. Where the property consists of a house and shop the Bank will advance up to 80 per cent. of the value of the premises as a dwelling-house.

#### 11.

The rate of interest charged on mortgages was fixed at the commencement of the Bank at one penny per pound per month on the balance outstanding, but it became necessary to increase this rate in June, 1920, to  $1\frac{1}{4}$ d. per pound per month. The committee were reluctant to raise the figure but money values, and the practice of other lending organisations, indicated such a course to be necessary. As soon as it was possible to reduce the rate the committee made the reduction, and accordingly in May, 1922, brought down the rate to one penny per pound per month again, at which figure it remains. Feeling that those depositors who had entered into mortgages at the higher rate were at a disadvantage, through no fault of their own, the committee decided to allow them the benefit of the reduced rate and permit them to pay such lower rate as from May, 1922. We could have insisted on our "pound of flesh" as many





ASTON CROSS BRANCH.



SELLY OAK BRANCH.

organisations did, but a sense of fair dealing prompted the Bank to make this concession.

## 12.

The Town Clerk is the solicitor to the Bank and prepares the mortgage without any charge to the depositor ; he also satisfies himself that the title to the property is a good one and such as can be accepted. Depositors can rest content that once the Town Clerk is satisfied with it they have something sound as their possession. The conveyance of the property, and any other legal work which may be necessary, must be undertaken by a solicitor engaged by the depositor.

## 13.

Immediately the depositor accepts the offer of an advance by the Bank, arrangements are made to cover the property against fire, and as soon as the mortgage is completed a policy is taken out. During the whole period of the loan the property is kept insured against fire. The premiums on the policy are paid by the Bank in the first instance, and subsequently charged to the depositor's account. This practice saves the depositor the trouble of dealing with annual premiums and having to produce receipts to the Bank. Unless the title deeds fix the amount of the insurance, it is the practice of the Bank to allow depositors to determine the amount, so long as it covers the advance, but if the matter is left to the Bank the insurance will be effected in a sum equal to the amount of the loan. The insurance policy can be taken out to suit the wishes of the depositor in various ways as follows :—

Under scheme A the rate is 1s. 6d. per cent. and covers damage by fire in respect of buildings of private dwelling-houses constructed of brick, stone or concrete, and roofed with slates, tiles, metal, concrete or asphalte, and the following contingencies are covered :—

Fire (whether resulting from explosion or otherwise) not occasioned by or happening through—

- (a) Its own spontaneous fermentation or heating or its undergoing any process involving the application of heat,

- (b) Earthquake, subterranean fire, riot, civil commotion, foreign enemy, military or usurped power, rebellion or insurrection ;

Lightning ;

Thunderbolt;

Explosion of boilers used for domestic purposes only ;

Explosion of boilers used for domestic purposes only,  
Explosion, in a building not being part of any gas works, of  
gas used for domestic purposes or used for lighting or heating  
the building.

Under scheme B, the contents of a house may be insured at the rate of 2/- per cent. against the same risks as scheme A.

Under scheme C, the rate is 1s. 9d. per cent. (subject to the insurance being for the full value of the house) and covers the risks mentioned in scheme A, plus the following contingencies :—

Loss of rent (limited to 10 per cent. of the sum insured in respect of rent), aircraft, burglary, housebreaking, property owners' liability.

Under scheme D, the contents of a house may be insured at the rate of 5s. per cent. (subject to the full value being insured and with a minimum premium of 7s. 6d. per cent.) to cover the following risks :—

Fire, explosion, lightning, thunderbolt, burglary, house-breaking, larceny, civil commotion, theft, aircraft, earthquake, breakage of mirrors, servants' goods, labour disturbances, accident to servants, liability to public riot, strikes, military or usurped power (other than foreign enemy).

Loss of rent (limited to 10 per cent. of the sum insured)

Cash in house " " 5 " " " " " (not ex-

Each in house	"	"	5	"	"	"	"	"	(not ex-
Storm	"	"	5	"	"	"	"	"	ceeding

Storm	"	"	5	"	"	"	"	"	£25)
Tempest	"	"	5	"	"	"	"	"	£25)

Flood	"	"	5	"	"	"	"	"
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Damage to buildings by burglars, compensation for death of insured, bursting or overflowing of water apparatus or pipes.

14.

The desire, expressed by many depositors, for some scheme whereby hardship or embarrassment may be avoided in the case of death of the depositor, has been met by arranging schemes of life assurance.

## 15.

One scheme provides for a policy being taken out in a sum not less than the amount of the mortgage, the premiums

being paid yearly, half-yearly or quarterly. The rate is dependent on the age of the depositor, and the amount of the assurance, but taking the case of a depositor, whose age would be thirty-five next birthday, and the amount of the assurance as £400, the quarterly premium would be £2 2s. od. In the event of death of the depositor, during the period of the loan, £400 would be paid to the legal representative. If the depositor should survive and the loan be repaid, the assurance may be continued or other arrangements made.

## 16.

Another scheme is a reducible assurance, whereby the depositor can provide against the risk of death by taking out a series of policies equal to, or in excess of, the mortgage and covering a period of twenty years. For example: Take a mortgage of £400 and the age of the depositor to be thirty-five next birthday. Four policies of £100 each would be issued, the first expiring in five years, the second in ten years, the third in fifteen years, and the fourth in twenty years.

The premium for the first 5 years would be £8 8s. od. per annum.

The premium for the next 5 years would be £6 6s. od. per annum.

The premium for the next 5 years would be £4 4s. od. per annum.

The premium for the last 5 years would be £2 2s. od. per annum.

As each policy is surrendered important returns are made, as follows :—

At the end of the fifth year ....	....	£4	16	0
At the end of the tenth year ....	....	£10	4	0
At the end of the fifteenth year ....	....	£16	0	0
At the end of the twentieth year ....	....	£22	2	0

Total returns ....	....	....	....	£53	2	0
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Thus, it works out that for an average payment of £2 11s. 10d. per annum, or 1s. od. per week, the depositor can cover

against the risk of leaving those dependent on him in an embarrassed position.

17.

Another scheme is to effect a reducible assurance on lines similar to the above, but with no surrender values. This has the effect of lowering the annual premium.

Taking the case of a depositor whose age next birthday will be twenty-five, the annual premium for an assurance of £400, reducible by £100 at the end of each five years, would be as follows :—

First five years	...	£3	17	0	covering the sum of	£400
Second five years	...	£2	18	0	„ „ „	£300
Third five years	...	£1	19	0	„ „ „	£200
Fourth five years		£1	0	0	„ „ „	£100

18.

Under the regulations, ground rent receipts in respect of leasehold property must be produced to the Bank within thirty days from the date due, failing which the Bank may pay the rent and charge the depositor accordingly. The production of receipts has been a source of trouble and expense to mortgagors, and no less troublesome and expensive to the Bank.

19.

In the case of leasehold Municipal houses purchased with assistance from the Bank, these receipts had to be made out by the Estates Department half-yearly, and produced to the Bank. This procedure was laborious, and called for simplification. Arrangements have now been made so as to reduce clerical labour to a minimum, by charging the ground rent to the account of the borrower and collecting the amount with the next monthly repayment. The Estates Department render a detailed account of ground rents due and one payment by the Bank and one receipt by the Estates Department covers the position.

20.

Finding the benefit of the arrangement in respect of Municipal houses, the Bank took steps to make a similar

arrangement in the case of non-municipal leasehold houses. This could only be done with the sanction of the depositors, but no difficulty was experienced when the matter was fully explained. To-day, there are only one or two cases where the old arrangement is in force.

## 21.

An important action was taken by the City Council in October, 1922, when it was decided to provide facilities whereby the tenants of Municipal houses might buy their houses. The Council directed the Bank and Estates Committees to prepare a scheme for giving effect to that decision.

## 22.

Many conferences took place, resulting in the presentation of a joint report to the Council in January, 1923. The Council authorised the sale of houses erected by the Council, and sanctioned the use of the money received from such sales for the erection of additional houses; and instructed the Bank and Estates Committees to formulate and bring into operation a scheme for utilising the existing machinery of the Bank in connection therewith. The Public Works and Town Planning Committee, who are charged with the duty of building Municipal houses, fix the sale price, and hand over the houses to the Estates Committee for disposal either by way of tenancy or sale. The Estates Committee select the purchasers and introduce them to the Bank, and providing the Bank approve the selection, the usual procedure for effecting a mortgage is followed.

## 23.

When this scheme was inaugurated the Bank advanced up to 80 per cent. of the value of the house, as ascertained by the valuer, the purchaser finding the difference between the loan and the purchase price. Conferences took place with a view to further popularising the purchase of Municipal houses, and as a result a scheme was adopted whereby houses could be purchased on payment of a deposit of £60 in the case of a parlour-type house, or £50 in the case of a non-parlour-type house, the Bank being responsible for the



advance up to 80 per cent. of the valuation, and the Finance Committee being responsible for the excess amount necessary to complete the purchase. This concession to would-be purchasers gave an impetus to the sales.

## 24.

In March, 1925, the Lord Mayor (Alderman Percival Bower) took up the question of offering still further inducements in respect of the sale of Municipal houses. He convened meetings of the committees interested, pressed for more favourable terms, and urged that something should be done to encourage sitting tenants to buy their houses. The result of these meetings led to the fixing of lower deposits—in the case of parlour-type houses £25, and in the case of non-parlour type houses £20—and a special arrangement for sitting tenants to become owners on payment of one per cent. of the purchase price.

## 25.

The low deposit terms have resulted in many citizens becoming owner-occupiers instead of tenants, as the following figures indicate :—

Number of mortgages effected up to 31st March

1927	...	...	...	...	...	...	2,422
Amount advanced up to 31st March, 1927	....						£790,647

## 26.

It will be realised that amongst so many, there are some who find it difficult to keep up their repayments, but in few cases has it been necessary to take serious action. Cases of embarrassment can generally be met by a little leniency, and the Bank Committee have always dealt in a sympathetic manner with genuine cases brought to their notice..

## 27.

Taking the house purchase business as a whole, mortgages have been arranged in 6,767 cases representing £2,232,480, in the short space of seven years and seven months. That is no mean achievement ; it is a testimony



to the need of the Bank in the city, and, again, a tribute to the confidence of the citizens in the Bank.

28.

The psychological effect of the creation of owner-occupiers in the city is important. It lifts the individual out of the class who are dependent on the whim or fancy of a landlord. He will cease to pay rent year after year and never own a brick in his house ; he will realise it is a wiser policy to be his own landlord ; he will learn to become independent. House-ownership, moreover, gives a man a direct interest in the affairs of his city, and anything which tends to create a keener interest in the affairs of our city should be welcomed.

29.

Many builders have so much confidence in the Bank that they readily advance money on second mortgage to an applicant who finds himself short of the necessary amount required as a deposit. They know the Bank is part of the Corporation's activities and that is a sufficient safeguard.

30.

The following analysis of the 5,380 mortgages in force at the 31st March, 1927, is interesting :—

Balances not exceeding £100	....	....	....	407
„ over £100 but not exceeding £200	....	....	....	884
„ „ £200 „ „ „ £300	....	....	....	1,399
„ „ £300 „ „ „ £400	....	....	....	1,767
„ „ £400 „ „ „ £500	....	....	....	782
„ „ £500 „ „ „ £600	....	....	....	79
„ „ £600 „ „ „ £750	....	....	....	40
„ „ £750 „ „ „ £1000	....	....	....	22
				<hr/>
				5,380
				<hr/>

31.

It is sometimes said by people who know nothing about the matter that the Bank is not catering for the working-man. Whatever is meant by the term “working-man,”

the following classification of occupations of the 6,767 depositors who have bought houses through the Bank since its establishment and up to the 31st March, 1927, speaks for itself :—

1.	Engineers, Fitters, Chainmakers, Turners, Millwrights, Mechanics, Toolmakers, Diesinkers, Blacksmiths, Machinists, Lamp Makers, Tinsmiths, Coopers, Gunsmiths	805
2.	Brassworkers, Steel Workers, Iron Workers, Metal Workers, Tinplate Workers, Rubber Workers, Electrical Workers, Leather Workers, Tube Workers, Gas Workers, Glass Workers, Cycle Workers, Japanners, Polishers, General Workers....	506
3.	Builders, Contractors, Bricklayers, Stonemasons, Slaters, Plasterers, Joiners, Carpenters, Cabinet-makers, French Polishers, Painters, Decorators, Sign Writers, Upholsterers, Undertakers, Plumbers	417
4.	Tailors, Saddlers, Shoemakers	62
5.	Printers, Compositors, Bookbinders, Lithographers, Publishers, Engravers, Designers, Artists, Photographers	169
6.	Bakers, Drapers, Grocers, Dairymen, Fruiterers, Florists, Fishmongers, Greengrocers, Butchers, Hairdressers, and other Shopkeepers	235
7.	Employees of Railways and Tramways Undertakings....	190
8.	Postal Employees, and Employees of Government Departments	216
9.	Employees of Local Authorities and Police Officers	191
10.	Chauffeurs, Gardeners, Porters, Laundrymen, Nurserymen, Horsekeepers, Publicans, Boarding House Keepers, Window Cleaners, Caterers, and other Domestic Employees	120
11.	Insurance Agents, Officials, and other Agents	120
12.	Chocolate Workers	52
13.	School Teachers, Nurses, Milliners, Dressmakers, Costumiers, Modellers	295
14.	Clerks, Bookkeepers, Cashiers, Draughtsmen, Travellers, Salesmen, Buyers, Storekeepers, Shop Assistants, Warehousemen, Collectors	1,473
15.	Jewellers, Watchmakers, Silversmiths, Goldsmiths, Musicians	166
16.	Managers, Foremen, Superintendents, Inspectors, Secretaries	568
17.	Architects, Auctioneers, Solicitors, Barristers, Doctors, Clergymen, Ministers, Civil Engineers, Chemists, Dentists, Surveyors, Stockbrokers,	

	Professors, Lecturers, Journalists, Chiropodists, Opticians	....	....	....	....	....	230
18.	Merchants, Manufacturers, Directors, Dealers, Factors	....	....	....	....	....	160
19.	Married Women, Widows, and Spinsters, not classified	....	....	....	....	....	683
20.	Unclassified Males	....	....	....	....	....	109

The reason why Nos. 18 and 20 are not more particularly classified is because the Bank, in its early days, did not ask for information as to the occupation of an applicant, but it is reasonable to suppose the great majority were workers.

## 32

The chart following page 136 gives the reader an idea, at a glance, of the development of the House Purchase Department of the Bank.

## 33.

The Council took a further step towards easing the housing problem when they ordered a scheme to be prepared for advancing money by way of mortgage to persons willing to build houses. The Bank and the Estates Committees presented a joint report in which they pointed out that the Corporation possessed the necessary powers under Section 7 of the Birmingham Corporation Act, 1919, to advance money by way of mortgage to persons to *build* houses, but the Bank, as constituted under Section 12, were limited to advancing money on mortgage to enable persons to purchase houses *already erected*.

## 34.

It was ultimately decided that the Finance Committee should advance money on progressive mortgage to persons to build houses within the city on freehold land, or on land leased for the purpose by the Corporation. At a later stage it was arranged that similar assistance should be granted to persons erecting houses on land leased to them by parties other than the Corporation. A scheme was adopted which provides for these applications being dealt with by the Public Works and Town Planning Committee. The

Finance Committee advance the money on certificates issued from time to time by the city surveyor, and the Bank acts for the city treasurer in collecting the repayments, and arranges the transfer to a Bank mortgage as soon as the final payment under the progressive mortgage has been made, unless the loan is entirely paid off. Up to the 31st March, 1927, the Bank had dealt with seventy of these cases.

## CHAPTER 15.

### THE ELEVENTH AND TWELFTH PERMANENT BRANCH BANKS.

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#### HOCKLEY.

##### 1.

**A**DVANTAGE was taken of the opportunity of purchasing the shop premises Nos. 2 and 4 Soho Hill which are excellently situated in a busy thoroughfare. As possession could not be obtained of No. 4 Soho Hill at the time of purchase, a reconstruction of No. 2 Soho Hill was undertaken and the facilities of a daily branch provided.

##### 2.

The opening took place on the 19th January, 1924, when the Lord Mayor, Alderman T. O. Williams, who acted as opener, said the Bank had grown into one of the most important institutions in the city.

##### 3.

Councillor Appleby told us that the Association of Municipal Corporations would shortly have before them the question of promoting legislation to empower Municipalities of 150,000 population to establish Municipal Banks.

##### 4.

At a later stage possession of No. 4 Soho Hill was obtained, and steps were at once taken to complete the structural alterations as originally intended.

##### 5.

The depositorship of the Hockley branch has grown from 976 at the 31st March, 1924, to 5,205 at the 31st March, 1927, while the transactions have increased from an average of 341 per week to 716 per week.

#### HARBORNE.

##### 6.

A room in the public library served as the first home for the Bank in this district, and from the 2nd September, 1919,

business was conducted in that room on Tuesdays, Thursdays and Saturdays. On the 19th July, 1920, a change was made in the Bank openings, Monday, Friday and Saturday evenings being substituted. As in other cases, where the experiment was tried of opening branches in buildings of a too-public character, so it was at Harborne. The people did not take kindly to the accommodation. Eventually the furniture shop, No. 283 High Street, was purchased and a reconstruction carried out.

7.

To Councillor Appleby, the chairman of the committee and one of the local representatives, fell the honour of opening this branch on the 2nd February, 1924, which proved a day of coincidences. The newspapers announced that Councillor Appleby had been elevated to the magisterial bench, along with others closely associated with the Bank, viz., the Lord Mayor (Alderman T. O. Williams), Councillor J. Fryer, Councillor F. W. Daniels, and Mr. Theodore D. Neal (auditor of the Bank).

8.

The Lord Mayor spoke in eulogistic terms of the work undertaken for the Bank by Councillor Appleby. As a professional colleague he could say, with full knowledge of his subject, that Councillor Appleby's services had been magnificent. He seemed to live for the Bank, and spared no effort to make everybody else realise that we had a Municipal Bank in Birmingham.

9.

The depositorship of the Harborne branch has grown from 466 at the 31st March, 1920, to 4,261 at the 31st March, 1927, while the transactions have increased from an average of 70 per week to 483 per week.

## CHAPTER 16.

### THE THIRTEENTH AND FOURTEENTH PERMANENT BRANCH BANKS.

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#### HANDSWORTH.

##### 1.

NO other accommodation being available, we had to be content with a room at the council house, Soho Road, which we used for a branch of the Bank from the 1st September, 1919. This district proved a difficult one, so far as finding premises was concerned, and the nightly queue of depositors gave the committee anxiety. Queues on wet nights do not tend to encourage a second visit to a Bank, but even such adverse conditions have their amusing side. Going round on a tour of branch inspection one wet Saturday night, the writer found the usual crowd waiting to gain admission to this small room. Attempting to enter the building he was roughly pulled back by an irate depositor and told to take his blanketty turn in the blanketty queue! Recognition caused our irate friend to apologise as profusely as he had previously imprecated. Fate decreed that our friend should arrive at that part of the Bank counter where the writer was giving a helping hand. With a very determined intention to prove the sincerity of his apologies our friend announced he would double his deposit!

##### 2.

The vacant plot of land at the corner of Grove Lane and Soho Road, surrounded by a tall hoarding and used for no better purpose than the storage of old skips and boxes, was purchased jointly by the Bank and the Public Works and Town Planning Committee, the latter being desirous of effecting a street widening at this point. These negotia-



tions were successfully carried through, and on that land was built the first Municipal Bank in this country. The widening of the street was carried out by the Public Works Department at the same time as the new Bank was erected.

## 3.

The opening of this branch took place on the 17th May, 1924. Councillor Appleby, the chairman, performing the ceremony. He was very pleased with his position that day, and not without cause. It does not fall to many to open the first building of its kind in a country ; such a distinction cannot be conferred again. Councillor Appleby predicted great developments in what he described as the service side of the Bank's activities, viz., the collection of gas, water and electricity accounts. Such facilities would, in his opinion, effect considerable economies in the administration of the city, an opinion which found sympathetic expression in the assembly.

## 4.

Ex-Councillor Darlington appears to have been well-pleased at the erection and opening of the Bank, for he wrote to the *Handsworth Herald* a letter, from which the following is an extract :—

When entering the Council House, Soho Road, on Saturday last, my thoughts went back to the time when its foundation stone was laid, and the fact that during the night following some person or persons from Birmingham came and annexed the gold, silver, and other coins that had been placed underneath the stone.

Then I thought of 1911, when some persons came from Birmingham and annexed the whole foundation upon which our corporate body was to have been built ; and I was sorry because "they took us in."

However, we are thankful to-day that Birmingham has added further to our honours, in that they have given us a building which is the first specially built Municipal Bank. It is now for Handsworth men and women to make it the most successful and prosperous of its kind.

## 5.

The depositorship of the Handsworth branch has grown from 1,509 at the 31st March, 1920, to 10,674 at the 31st



March, 1927, while the transactions have increased from an average of 244 per week to 1,211 per week.

LADYWOOD.

6.

The 1st September, 1919, saw a branch of the Bank opened in the room formerly used as a national food kitchen, and situate at No. 299 Monument Road. The branch was open on alternate days, viz., Mondays, Wednesdays and Fridays, but not for long, as the depositorship increased so rapidly that daily openings became a necessity in November, 1919.

7.

In due course the premises were purchased, as well as the butcher's shop adjoining. It was some time before we could obtain vacant possession of the whole of the buildings, but as soon as they were available the Bank Committee took professional advice as to whether the buildings were capable of adaptation for Bank purposes or whether it would be advisable to demolish the same and build on the site. The latter course was deemed advisable, as on examination of the buildings it was found that their condition would not justify a satisfactory reconstruction. The buildings were therefore demolished and on the site we erected a Bank and house. During the alterations the business of the branch was conducted in a wood building close by.

8

The Bank was again honoured by a lady opener in the person of Miss Williams, the Lady Mayoress, the ceremony being performed on the 14th June, 1924. Miss Williams has been a depositor in the Bank from its early days, and expressed the pleasure it gave her to open that branch.

9.

Addressing the gathering assembled on this occasion, the Rt. Hon. Neville Chamberlain, M.P., said he was sure the manager, and the chairman, from personal experience, could quote many instances of the real benefit the Bank had

been to depositors who wished to draw upon their resources in time of need. He looked forward to the time when the example set by Birmingham would be followed by other towns.

## 10.

The depositorship of the Ladywood branch has grown from 1,782 at the 31st March, 1920, to 7,467 at the 31st March, 1927, while the transactions have increased from an average of 290 per week to 863 per week.



THE OLD "HIGHLAND LADDIE."  
*Temporary Premises, Duddeston Branch.*



DUDDESTON BRANCH.  
*Permanent Premises.*



ROTTON PARK BRANCH.

## CHAPTER 17.

### UTILITY SERVICES OF THE BANK.

#### 1.

**A**N important step was taken in the spring of 1921, when Mr. J. H. Broadley (the new secretary of the Water Department) evolved a scheme for reorganising his department. Included in that scheme was a proposal for using the Bank in the collection of water accounts, thus permitting of a reduction in the staff of cashiers, the whole of whom, under the administration of the department, could not have been fully employed on work of that nature.

#### 2.

The proposal, which met with the unanimous approval of the Water Committee and the Bank, provided for rate-payers being afforded the opportunity of paying undisputed accounts at Bank counters ; the accounts to be receipted on behalf of the Water Department, to whom particulars would be supplied as to the accounts dealt with ; the money received to be credited to the department ; and a payment to be made to the Bank for services in respect of collection.

#### 3.

The scheme is simple and has been an unqualified success, as the following figures of accounts dealt with during different periods show :—

Six months ended March 31st, 1922	....	5,855
Year ended March 31st 1923	....	15,700
" " " " 1924	....	20,480
" " " " 1925	....	24,501
" " " " 1926	....	28,373
" " " " 1927	....	35,508

#### 4.

The result of this close co-operation has been mutually beneficial. It has enabled a reduction to be made in the

number of cashiers in the Water Department and paved the way for their employment in other directions ; it has introduced to the Bank many depositors and resulted in more daily branches being opened ; it has enabled the Bank to take into its service several officers from the Water Department and provide them with posts equal to those they held or might aspire to in their old department. It has, moreover, effected economy in civic administration.

## 5.

The rapid development of the Electric Supply Department, which has resulted in increasing numbers of householders using electric light, called for additional facilities to be provided for the payment of consumers' quarterly accounts. The experience of the Bank in collecting water accounts, caused Mr. E. J. Jennings (secretary of the Electric Supply Department) to consider whether similar arrangements could be made to meet the requirements of his department. Steps were taken to arrange a scheme whereby electricity accounts could be paid at certain branch Banks.

## 6.

As the scheme was experimental, it was limited to branches serving the outlying parts of the city, leaving the Electric Supply Department to deal with the remaining areas at their own offices. It was not long, however, before it was felt desirable to extend the scheme, and arrangements were accordingly made so that consumers could pay their accounts at any office of the Bank within the discount period.

## 7.

The following figures of accounts dealt with will indicate how the scheme is developing :—

Year ended 31st March, 1926	...	...	4,588
" " " " 1927	...	...	15,779

## 8.

For many years the Gas Department had provided facilities for collection of gas accounts at various depots, chemists' shops, gas fitters' shops, etc., but the facilities



provided by the Bank for water and electricity accounts naturally resulted in a demand being made for similar facilities in respect of gas accounts. Accordingly, Mr. A. W. Smith (general manager and secretary of the Gas Department) arranged with the Bank that gas accounts should be collected at Bank centres in a similar manner to that operating for electricity accounts. Although this scheme only came into force in respect of gas accounts with a discount date for October, 1926, the Bank dealt with 12,238 gas accounts up to the 31st March, 1927.

## 9.

Yet another instance of co-operation is afforded by the Salvage Department, whose superintendent (Mr. James Jackson) evolved a scheme whereby householders could arrange to hire dust-bins from the department on payment of a small charge per annum. How to collect this small charge presented a difficulty, but it was surmounted by the Water Department sending out an account along with the water account, and arranging for the Bank to collect the two at the same time. Up to the 31st March, 1927, the Bank had dealt with 613 payments in respect of hire of dust-bins.

## 10.

The question of collection of rates presented a difficulty owing to the special requirements and responsibilities of the Overseers, who were a separate local authority. The Bank could not deal with rate demand notes in the same way as Corporation accounts were dealt with, because the regulations required the demand notes to be receipted by a duly appointed assistant overseer.

## 11.

To meet the wishes of a few depositors, however, a scheme was devised for payment of rates through the personal accounts of the depositors, and in February, 1921, this scheme was instituted. Depositors signed a form authorising the amount to be paid over to the Overseers, the authority acting as a receipt for money withdrawn from

the depositor's account. The demand note was left at the Bank, and transmitted to the Overseers at the end of the day, who, in due course, receipted the note and returned it by post to the depositor.

## 12.

The Overseers ceased to function at the end of March, 1927, their places being taken by the Rating and Valuation Committee, now a standing committee of the City Council. It is hoped that it will soon be possible to arrange for collection of rates on lines similar to those for other Corporation accounts, and that the citizens will have one more boon conferred upon them, and the Corporation be enabled to effect one more economy.

## 13.

In these days, anything which will contribute to economy in public administration should be welcomed, and the Bank can claim some credit in helping towards that end. The arrangements now in force tend to prevent overlapping in collection of accounts, and are an undoubted convenience to the public. Instead of journeying to town and visiting the Water Department, the Electric Supply Department, or the Gas Department, the public can step into a branch of the Bank near to their homes and pay all three accounts. The provision of the same facilities for rates will make up the quartette.

## 14.

The Bank was able to render service to land settlers in connection with the Land Settlement (Facilities) Act, 1919, which authorised county or county borough councils to advance money to approved applicants for the purchase of live stock, fruit trees, seeds, fertilisers and implements. A scheme was prepared in May, 1920, to deal with this matter, and the sanction of the Treasury and the Ministry of Agriculture and Fisheries obtained thereto. The applications, so far as Birmingham was concerned, were dealt with by the Agricultural and Small Holdings Committee, with the exception of one case from the Warwickshire County Council. The Council concerned guaranteed



the Bank against loss, and decided how the advance should be used by the applicant. The Bank charged interest at the rate of 5 per cent. on these loans. Altogether forty-one loans were made, but all have now been paid off.

## 15.

Another example of usefulness of the Bank was afforded in April, 1920, when the Finance Committee had to arrange for cashing interest coupons in respect of local housing bonds. A large number of these bonds, particularly of the lower denominations, were taken up by the citizens, and wide opportunities were desirable for cashing the coupons each half-year. This was where the offices of the Bank proved very useful. With so many branches conveniently placed, it was easy to help the Finance Committee in this matter, and to make arrangements to cash all coupons in respect of bonds of the values of £5, £10, £20 and £50. No less than 21,178 coupons were dealt with during the period the bonds were in force.

## 16.

Pressure was brought to bear upon the Bank to sell national savings certificates at the various offices of the Bank, and in December, 1920, arrangements were made for these certificates to be available for any person desiring to purchase same. Little business, however, was done in this direction. The majority of depositors in the Bank are not those who can afford to purchase certificates in the hope of retaining them intact until maturity date, and to save by this method, merely to cash them when wanting money, has no particular attraction. The opportunities provided by the Post Office in Birmingham for purchasing these certificates, are, in themselves, sufficient, and as the sales over our Bank counters were so small the practice of dealing with them has been abandoned.



## CHAPTER 18.

### THE FIFTEENTH AND SIXTEENTH PERMANENT BRANCH BANKS.

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#### LOZELLS.

##### I.

In the lock-up shop, No. 270 Lozells Road, the business of this branch was commenced on the 1st September, 1919. The shop had in turn been a second-hand depot, a railway ticket office, and a restaurant, to mention only three types. When first inspected we found volumes of the Birmingham Corporation blue book, which prompted the suggestion that they had been deposited by some disgusted ratepayer ! For several years these premises served for the Bank, although the accommodation resulted in the depositors, at certain times, being uncomfortably pressed into the restricted space. It was impossible to consider the premises from the point of view of a permanent Bank, because they could not be suitably enlarged. The committee, therefore, purchased the furniture shop and premises situated at No. 116 Villa Road, which were reconstructed

##### 2.

These reconstructed premises were opened on the 7th March, 1925, by the Lord Mayor (Alderman Percival Bower), who described the building as another landmark in the development of the Bank, and one more addition to the assets of the city. He had always held the view that one of the ways in which they could secure stability in this country was by developing a condition of things under which every man could become the owner-occupier of his

house. He believed men and women became better citizens for that reason.

3.

The depositorship of the Lozells branch has grown from 2,046 at the 31st March, 1920, to 7,183 at the 31st March, 1927, while the transactions have increased from an average of 350 per week to 745 per week.

## HAY MILLS.

4.

This branch was opened in shop premises situate at No. 1087 Coventry Road on the 1st September, 1919. The shop had been used as a hand-laundry, and while being on the small side it was better than some premises we had used in other districts. At the commencement the branch was open every Monday, Friday and Saturday evening until the 22nd October, 1920, when daily openings were arranged. This change did not, however, prove a success, and on the 8th August, 1921, we altered the attendances to Tuesdays, with Monday and Saturday evenings in addition. For some reason the branch did not "take on," and the committee arrived at the conclusion that it was not in the most convenient spot and that other premises should be obtained. Two shops at Nos. 1176 and 1178 Coventry Road, were purchased and reconstructed.

5.

For the third time we had a lady opener, the Lady Mayoress (Mrs. Percival Bower) performing the opening ceremony on the 21st March, 1925. It was very gratifying to have her with us on that occasion, because she had been prevented from discharging many of her duties as Lady Mayoress owing to ill-health, and her presence that day was regarded as a sign of improving health.

6.

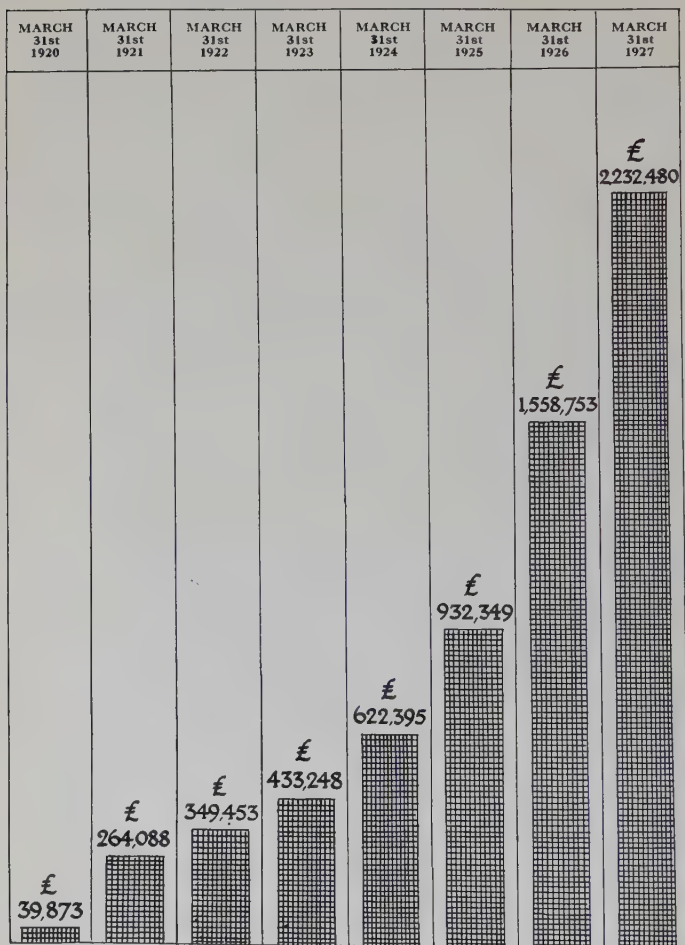
Speaking on this occasion, the Lord Mayor said Hay Mills was a district which ought to stand well in the records, and while it had not shown that rate of progress which other areas had, he thought the lack of adequate



STIRCHLEY BRANCH.  
*Showing Partial Alteration.*

# ADVANCES FOR HOUSE PURCHASE.

Progressive totals at the end of each Financial Year.



First column represents seven months only.



HOCKLEY BRANCH.



HARBORNE BRANCH.



premises might have something to do with it. The new premises would be an incentive to the residents to place the branch in a high position amongst the branches of the Bank.

7.

The depositorship of the Hay Mills branch has grown from 970 at the 31st March, 1920 to 3,681 at the 31st March, 1927, while the transactions have increased from an average of 208 per week to 381 per week.



## CHAPTER 19.

### AMENDMENT OF REGULATIONS.

#### 1.

**I**N May, 1920, a Savings Banks Act was passed which amended existing enactments in respect of the limitation on deposits, the law regarding deposits of deceased depositors, etc. This new Act abolished the limitation on savings bank deposits, but provided machinery whereby the Treasury might limit the amount to be received in any one year.

#### 2.

The Municipal Bank, by its regulations of 1919, was safeguarded on the question of limitation, and it was not considered necessary to take any step at that time, but when the Treasury imposed limits upon trustee savings banks, action was taken to amend our regulations.

#### 3.

The Bank Committee gave the matter serious consideration, and several interviews took place at the Treasury before the amendments were agreed upon. The number of alterations and amendments made it difficult to distinguish between regulation and rule, and it was decided to amalgamate them and issue amended regulations in 1925.

#### 4.

The main differences between the regulations and rules of 1919 and the amended regulations of 1925 relate to (1) deposits, which are now limited to £500 per year, without any limitation as to the total amount which may stand to the credit of a depositor ; (2) withdrawals, which can now be

made on short notice, in case of emergency, where the amount required exceeds the amount payable on demand ; (3) improved procedure in respect of nominations ; (4) alterations in procedure regarding accounts of deceased depositors ; (5) rate of interest on house-purchase advances, which is now at the discretion of the committee ; (6) revised procedure in respect of house-purchase transactions ; and other minor matters.

## 5.

In considering the amendment of regulations, questions were raised as to obtaining further powers for the benefit of depositors, but it was found that parliamentary sanction would be necessary. For instance, requests have been made for moneys awarded to persons under the Workmen's Compensation Acts to be deposited in the Bank, which the committee would have liked to meet. We were told, however, that County Court procedure would have to be altered before that could be arranged. It is strange to the lay mind, that a High Court Judge can direct, and has directed, that moneys awarded to children of a deceased workman should be paid into the Bank, but a County Court Judge, who deals with many cases of compensation, has, apparently, no such authority. Solicitors have made application in open Court for the privilege, but without success. Another matter of importance is the question of assisting allotment-holders to purchase their allotments. To be able to help these cases would be a real benefit.

## CHAPTER 20.

### THE SEVENTEENTH, EIGHTEENTH AND NINETEENTH PERMANENT BRANCH BANKS.

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#### SALTLEY.

##### 1.

A NOVEL type of building to be used as a branch was the "little wooden hut" placed on vacant land at the corner of Alum Rock Road and Bowyer Road, which served for several years. This building was really a fire-man's shelter, removed in the dead of night from the Hagley Road. Why in the dead of the night one does not know, but it proved something to be very proud of.

##### 2.

It was through the kindness of Messrs. Ansells that we were permitted to place this hut on the land and open the branch for business on Tuesdays, Thursdays and Saturdays, commencing from the 2nd September, 1919. To that firm the Bank is indebted, not only for the permission, but for their public-spiritedness in allowing the hut to remain there without charging any rent.

##### 3.

This "hut" branch became so popular that Mondays were added to the opening days, while on the 1st November, 1920, it became a daily branch. Certain it is that it made a particular appeal and established itself in the hearts of our Saltley friends. It was here one could often find Alderman Bower and Alderman Gregory, the former teaching the habit of thrift to his children by example, and the latter showing his grandchildren, by like example, how to save.

Alderman Simpson was another who took a warm interest in the branch. These public representatives, by their influence, did much to build up the depositorship of the branch in its modest surroundings.

## 4.

The close proximity of the hut to the wooden buildings of the Young Women's Christian Association created, at times, a little embarrassment, as, for instance, when one of the gentler sex walked up to the Bank counter and said she wanted a bath! The opinion of the official we will not record.

## 5.

The time came when this modest accommodation could no longer meet the requirements of the branch, and we had to look elsewhere for premises. We were fortunate in securing the two shops, Nos. 154 and 156 Alum Rock Road, which were altered to suit the purposes of the Bank.

## 6.

The Lord Mayor (Alderman Percival Bower) opened these reconstructed premises on the 16th May, 1925, and in addressing the large crowd assembled outside the building, his lordship said that of the many institutions of which Birmingham might be justly proud there was none that had attracted greater attention than the Municipal Bank. That day's ceremony marked another milestone on the road of progress.

## 7.

The depositorship of the Saltley branch has grown from 1,041 at the 31st March, 1920, to 8,153 at the 31st March, 1927, while the transactions have increased from an average of 152 per week to 876 per week.

## ACOCKS GREEN.

## 8.

In this area the old Police Station situate on the Warwick Road, had to serve as the branch in the first instance, and commencing from the 1st September, 1919, business was

transacted therein on Monday, Friday and Saturday evenings. The butcher's shop and house situate at 1109-1111 Warwick Road, together with buildings at the rear, were purchased at a later date, but as they were more than the Bank required, the Gas Department decided to join in the purchase. The result of this joint action enabled a combined reconstruction scheme to be carried through, whereby one portion was converted into a Bank, and the other into a gas showroom.

9.

The Lord Mayor, Alderman Percival Bower, presided over the opening ceremony on the 27th June, 1925, the Bank being opened by Councillor Appleby, and the showroom and other buildings by Alderman J. H. Lloyd, the chairman of the Gas Department. Speaking on this occasion, the Lord Mayor said he had heard strictures passed upon the Bank by representatives of the joint stock banks, but he questioned very much if the joint stock banks would have attracted the depositors the Municipal Bank had attracted.

10.

Councillor Appleby said the Bank was really in its infancy and there were more areas they intended to cover. They wanted to train people in the banking habit, and teach them to pay cash instead of instalments. He looked forward to the time when each one of the branches would be a kind of civic centre in its own district, bringing economy in the administration of the city's affairs.

11.

The depositorship of the Acock's Green branch has grown from 423 at the 31st March, 1920, to 3,187 at the 31st March, 1927, while the transactions have increased from an average of 61 per week to 365 per week.

SPRING HILL.

12.

In this district the committee were able to secure a valuable site consisting of a vacant plot of land and two

shops and houses Nos. 36 and 38 Spring Hill, together with a large building at the rear which had formerly been used as a chapel. The two shops and houses have not been disturbed, but a new building has been erected on the vacant land, and now serves the purpose of a branch. The disused chapel at the rear was repaired and let on lease to the Ladywood Divisional Labour Party. We can now say truthfully, that the Labour Party is behind the Bank !

## 13.

The new Bank was opened on the 25th July, 1925, by the Lord Mayor (Alderman Percival Bower) who in the course of his remarks, pointed out that the committee were providing daily facilities straight away without working up a depositorship by means of an evening branch. The district was thickly populated, and he considered the action justifiable. He wished to impress upon his hearers that the Bank existed for the benefit of the small saver, and pointed out the great value which attached to the home safe.

## 14.

Mr. Oswald Mosley, now M.P. for Smethwick and at that time a Parliamentary candidate for the Ladywood division of Birmingham, warmly commended the Bank to his listeners. He considered it an excellent institution, which reflected great credit on those who had the management in their hands. He advised the people of Spring Hill to roll up and become depositors.

## 15.

The depositorship of the Spring Hill branch has grown from 1,674 at the 31st March, 1926, to 2,613 at the 31st March, 1927, while the transactions have increased from an average of 360 per week to 439 per week.





HANDSWORTH BRANCH.



LADYWOOD BRANCH.

## CHAPTER 21.

### DEPUTATIONS AND DISTINGUISHED VISITORS.

#### 1.

**I**T would be a long list if one had recorded the names of all the visitors who have journeyed to Birmingham to see our Bank, and longer still if one had registered all the enquiries we have received. Many deputations from other Municipalities have conducted investigations here, notably Manchester, Glasgow, Bristol, Newcastle-on-Tyne, Stoke-on-Trent, Sheffield, Bradford, Northampton.

#### 2.

For three years the Bank has been in evidence at the British Industries Fair at Castle Bromwich. The Lord Mayor, on each occasion, extended invitations to civic heads to attend the Fair, and many Municipalities accepted the invitations. In the course of their peregrinations at the Fair these public representatives came to the stand of the Bank in which they manifested a keen interest. The questions asked demonstrated how desirous they were to learn the facts, but they all seemed to leave with none too kind feelings at the fate which so far, had prevented similar facilities being granted to them.

#### 3.

The Lord Mayor of London (Sir G. Rowland Blades, M.P.) accompanied by the Sheriffs, visited the Fair last February, and spent some time at the Bank stand. He appeared to be much surprised at the results achieved, and was at a loss to understand why other towns did not possess Municipal Banks. He thought the encouragement of thrift was a good thing for any town. Sir Rowland showed

his practical sympathy by opening an account, and in a subsequent letter said :—

“I was very interested in the literature you sent me relating to the Bank, and am very pleased to be associated with it.”

## 4.

Many Members of Parliament (including Cabinet Ministers) have examined our charts and records, and made enquiries. Amongst them one must mention the Prime Minister (The Right Honourable Stanley Baldwin, M.P.), who congratulated the Lord Mayor on the achievements of the Bank, and opened an account with the cautious remark that his action must not be taken as committing him in any way.

## 5.

As has been mentioned, His Royal Highness the Duke of York, in 1926, made enquiries about the Bank, and expressed his pleasure at its success. His Royal Highness, the Prince of Wales, on visiting the Fair the following week, inspected the charts and records, and asked numerous questions. He was astonished to find so much money had been saved in so short a time, and expressed his pleasure on learning of the amount deposited by means of home safes. On visiting the Fair in 1927, the Prince had presented to him many heads of Municipalities who were attending the Fair that day. These civic representatives were marshalled on the Bank stand for presentation to him.

## 6.

We have had important visitors from America, Australia, Canada, India, Japan, Holland, Switzerland, France, and other foreign countries and colonies, while the post constantly brings enquiries, which indicate that the Bank has a world-wide reputation.

## CHAPTER 22.

### THE TWENTIETH AND TWENTY-FIRST PERMANENT BRANCH BANKS.

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#### ERDINGTON.

##### 1.

**T**O the national schools in High Street we had to go for the first start of the Erdington branch on the 1st September, 1919; and every Monday, Friday and Saturday evening the work was carried on in one of the classrooms up to the 3rd January, 1921, when the branch was transferred to the shop No. 177 High Street. This transfer enabled daily openings to be provided, a change which was quickly appreciated by the residents.

##### 2.

It became evident, that larger premises were necessary, and the committee decided to purchase the two shops Nos. 267 and 269 High Street, with the intention of altering them to meet the needs of a Bank. No sooner had the purchase been completed, however, than the Public Works and Town Planning Committee approached the Bank with a view to joining in the purchase of premises and land at Six Ways. The increasing traffic at this important junction, and the fact that serious accidents had occurred, made it very necessary that a widening scheme should be carried out. The Bank Committee fell in with the proposal, and on the buildings and land being purchased, the two shops in High Street were transferred to the Gas Department, who have since made them into a showroom and depot.

##### 3.

The buildings on the Six Ways site were demolished, and one of the finest buildings in Erdington erected, comprising banking accommodation on the ground floor and two excellently-planned flats. At the same time the Public

Works Department carried out their widening scheme, and introduced the gyratory traffic system.

4.

The impressive new buildings were formally opened by the Lord Mayor (Alderman Percival Bower) on the 27th March, 1926. Speaking to a large crowd assembled outside, he said he was gratified the Bank had lived down the time when it was compelled to take small premises. That fine building would be a reminder to them that the Municipal Bank was a very important institution in the city.

5.

The depositorship of the Erdington branch has grown from 458 at the 31st March, 1920, to 8,497 at the 31st March, 1927, while the transactions have increased from an average of 58 per week to 905 per week.

WARD END.

6.

In order to provide this area with a branch, we had to content ourselves with the front portion of the small house, No. 674 Washwood Heath Road, where business was transacted every Monday and Saturday evening, commencing from the 2nd May, 1921. Later, the premises used as a soda water works at No. 684 Washwood Heath Road, were purchased, reconstructed, and formally opened as a daily branch on the 10th April, 1926, by the Lord Mayor (Alderman Percival Bower).

7.

Addressing the large crowd assembled to witness the opening ceremony, the Lord Mayor said, "It is our Bank—it exists for us—it is controlled in our interests," and expressed the hope that it would go on playing a still more successful part in our civic life.

8.

The depositorship of the Ward End branch has grown from 329 at the 31st March, 1922, to 2,724 at the 31st March, 1927, while the transactions have increased from an average of 40 per week to 326 per week.

## CHAPTER 23.

### PIONEERS WHO HAVE PASSED ON.

COUNCILLOR C. T. APPLERY, J.P.

#### I.

THE death of our beloved chairman on the 13th May, 1926, was unexpected. Only thirteen days before his death he saw his wife perform the opening ceremony in connection with the new branch Bank at Northfield, an occasion which gave him undisguised pleasure. Little did we think, in chatting to him that day, that he would soon join the great majority. He was not up to his usual standard of health, but gave no indications of serious illness.

#### 2.

The first meeting of the committee after his death was a sad one, the members realising that the Bank had sustained a very serious loss. Alderman Lovsey moved in feeling terms the following resolution :—

RESOLVED :—That this committee hereby record their deep regret at the death of their Chairman, Mr. Councillor C. T. Appleby, who was a member of the committee of management from the commencement of the Bank as a temporary institution in 1916, and who has occupied the chair since the establishment of the Bank on a permanent basis in 1919.

The committee wish to express their profound admiration of the enthusiasm, energy and ability shown by Councillor Appleby in the administration of the Bank, which qualities have contributed so largely to the success achieved and the development of the Bank into one of the most important and useful forms of civic activity in the city of Birmingham.

The committee respectfully offer to Mrs. Appleby and her family sincere sympathy in their great sorrow.

#### 3.

No pen can describe adequately what Councillor Appleby meant to the Bank. He loved it ; he was happy when



guiding its development and watching its progress. His self-sacrifice was great ; what little spare time he had was spent in visiting parts of the city, looking for sites for more branches. To see him watching the pedestrian traffic at a particular spot, walking up this street, down that street, estimating the possibilities of success, was to see a man really keen on his job.

## 4.

Councillor Appleby visited the branches very frequently, looked into the work with that professional knowledge and experience he possessed ; giving advice here, or an instruction there. Many times has the writer seen him standing on the public side of the counter, watching depositors as they used the Bank, with satisfaction very plainly expressed on his face. He knew they were sowing on good ground, and would reap a good harvest, and that was his reward.

## 5.

At the end of each year, when the arduous task of carrying through the annual balance and adding interest to the accounts of depositors had to be undertaken, he could always be relied on to put in an appearance at Head Office and the branches. Just a sympathetic word to the staff, prompted by his knowledge of the work involved, produced an atmosphere which ensured the task being performed with enthusiasm, the more so because of the personal interest he displayed. Councillor Appleby had a full grasp of the affairs of the Bank, and no chairman ever had greater confidence in a staff under his control than he had. It was no uncommon experience to hear him say he was proud of every one, and not the least so of the juniors.

## 6.

Councillor Appleby had vision ; he saw wider spheres of activity and usefulness ; he saw this Bank used by the citizens, not merely for savings bank and house purchase business, but for collecting Corporation accounts and contributing to economy in civic administration ; he saw the elimination of lending organisations ; he saw a reducing charge in



respect of poor law relief ; he visualised the time when pawnshops would be no more, and when credit-purchasing would cease. Some of his visions have become realities ; perhaps others may.

## 7.

We mourn his loss—depositors as well as staff—but we are proud to have had his wise leadership and wonderful enthusiasm. Few men have given higher service for their fellowmen than Councillor Appleby. Conscientious in all he undertook, he gave ungrudgingly of his best to the city in many spheres, and that best was brilliant. He endeared himself to all ; his name will live for ever in connection with this Bank ; he has set a high standard, which, as a tribute to his memory, we must maintain.

MR. ELDRED HALLAS.

## 8.

The Bank suffered another loss when Mr. Hallas passed away on the 13th July, 1926. Although he had intimated on many occasions that his health was not as he would like it to be, it was hoped that he would overcome his indisposition. Medical examination, however, indicated more serious trouble and he entered a nursing home where an operation was performed from which he did not recover.

## 9.

The following resolution was passed by the committee at their first meeting after the death of their colleague :—

RESOLVED :—That this committee learn with deep regret of the death of Mr. Eldred Hallas and record their high appreciation of the valuable services rendered by him in connection with the inception and administration of the original Corporation Savings Bank, and as a member of the committee of management of the present Municipal Bank.

They tender their respectful sympathy to Mrs. Hallas and family in their bereavement.

## 10.

The full extent to which Birmingham is indebted to Mr. Hallas in connection with the Municipal Bank cannot be estimated. When Mr. Chamberlain (as Lord Mayor) expressed his views to a gathering of trade union leaders,

he found a very warm enthusiast in Mr. Hallas, who lost no time in preparing a rough scheme based on those views, which the Lord Mayor took up and fashioned into the scheme already referred to.

## 11.

Mr. Hallas possessed a brilliant mind which was always seeking further spheres of usefulness for the Bank ; his oratorical efforts were invaluable in starting the Bank in 1916. He had a magnificent voice for public speaking ; he could, and did, sway thousands. Day after day, night after night, he addressed gatherings of workers, explained the scheme, and exhorted them to "save now and smile afterwards." How he managed to carry through so much work was a secret known only to himself.

## 12.

Reading some of the speeches he made in those early days, one cannot help being struck with the accuracy of his forecasts as to the conditions that would arise when the war was over. There is an uncanny similarity between prophesy and fulfilment.

## 13.

Mr. Hallas was a man of many talents, prepared to place those talents at the disposal of his fellow men. Direct of speech—he did not care whether you agreed with him or not—he was firm in his convictions, but big enough to admit the rights of an opponent to convictions also.

## 14.

His services to the city as a member of the Council for many years, and as a member of Parliament, were very valuable, but his services for those whose interests he was more directly concerned with, viz., his fellow trade unionists, transcended all. Evidence of his labours for them was not lacking at his funeral ; one could see many trade unionists shedding tears as the last rites were performed. A chord had been struck more eloquent than words.

## 15.

One could not be in his presence long before realising that there was a Municipal Bank in Birmingham, for he

insisted on making the fact known. He always regarded it as the greatest friend the working man or woman could have ; he visualised the time when Birmingham would cease to pay "threepence for a penny cake."

16.

The name of Eldred Hallas is enshrined on the records of the Bank ; the tablet on the wall at the Balsall Heath branch will be a perpetual reminder of him. The Bank lives to-day, largely because of his self-sacrifice in its early days. We were fortunate in having his powerful help ; we shall treasure his memory ; and we must see to it that the fire of his enthusiasm is maintained.



## CHAPTER 24.

### THE TWENTY-SECOND, TWENTY-THIRD AND TWENTY-FOURTH PERMANENT BRANCH BANKS.

#### NORTHFIELD.

##### 1.

A ROOM in the institute in Church Road served as the first home for the Bank in this area, and every Monday, Friday and Saturday evening, commencing from the 1st September, 1919, business was transacted therein. As in other cases where the accommodation was not sufficiently private, it was found that the people did not respond, so it was decided to transfer the business to No. 756 Bristol Road on the 1st January, 1920.

##### 2.

This new abode consisted of the small front room of a house wherein it was difficult, at times, to transact business. Northfield and district is sparsely populated compared with other areas, and the amount of business done did not justify three openings per week. Accordingly, it was arranged that only Friday evening should be used as and from the 4th February, 1921.

##### 3.

Indications of increasing building developments in the Northfield area caused the committee to take steps to secure a plot of land belonging to the Electric Supply Department which adjoined the power station. A joint building scheme was decided upon, viz., the erection of a Bank and also a shop which might later be used as an electrical showroom, the result being that premises as on illustration facing

page 184 became available, and were opened by the wife of the chairman of the Bank (Mrs. C. T. Appleby) on the 1st May, 1926.

4.

The Lord Mayor (Alderman Percival Bower), who presided, explained that the committee were trying an experiment in this scattered area, by working a number of small branches in outlying districts in conjunction with Northfield. Thus, the existing Longbridge and Rubery branches would be linked up, and a new branch opened at Rednal. There would be daily openings at Northfield, and the same staff would attend at Longbridge on Saturday afternoons, at Rubery on Mondays, and at Rednal on Tuesdays. Depositors enrolled at these outlying branches would be afforded the opportunity of depositing or withdrawing moneys at the Northfield branch if they wished to do so, for which purpose all the books would be kept at Northfield.

5.

The depositorship of the Northfield branch (including the outlying branches named) has grown from 252 at the 31st March, 1919, to 1,567 at the 31st March, 1927, while the transactions have increased from an average of 22 per week to 178 per week.

#### BORDESLEY GREEN.

6.

These premises were formally opened as a daily branch on the 30th October, 1926, by the Right Hon. the Lord Mayor (Alderman Percival Bower). The premises were formerly used by a butcher, and were known as Nos. 120 and 122 Bordesley Green. There was also a lock-up shop, No. 1 Bordesley Green Road, used by a second-hand dealer, but this last-mentioned shop was demolished during the course of the alterations, the structure not lending itself to an adaptation scheme.

7.

A large crowd, estimated by the Police at 1,500 people, had assembled to give the Lord Mayor an enthusiastic

welcome. It was plain to see how popular he was in this area, and from his remarks it was equally clear that he reciprocated their good feelings. Speaking to the assembly, the Lord Mayor said he was proud to open that branch. It was in the ward which sent him to the City Council; it was the ward in which he had lived for years. They and he were well known to each other. He prophesied that one of the strongest branches would be built up in that district.

8.

Councillor Pardoe spoke in appreciative terms of the Lord Mayor's services to the city, and said he was pleased the building would now be put to better use than the purpose it originally served. He recalled that at one time it was the only pawnshop in the district, and he was happy to think that instead of people being driven to its portals by adversity they would visit it as a friend, feeling that it belonged to them.

9.

This new branch bids fair to rival other branches, for although it has only been opened five months, it has a depositorship of 1,766, and its weekly transactions average 442.

NECHELLS.

10.

The latest of our branch Banks was opened by the Lord Mayor (Alderman A. H. James, C.B.E., J.P.) on the 7th May, 1927. It is situate at No. 410 Nechells Park Road, near the point better known as Nechells Green. Being so favourably placed, in a thickly populated district, the branch ought to, and no doubt will, do well. It certainly had a good send-off.

11.

The committee bought the buildings originally on this site, and wisely decided to demolish same rather than attempt a reconstruction scheme. They had served as a laundry, a police station, and for other purposes, and had not improved structurally, by the changes. Our Nechells

friends are now provided with a substantial building, which means one more asset to the city.

## 12.

The chairman (Alderman Sir Percival Bower), who presided, said we had had a splendid example of keen saving in Duddleston where the branch occupied a prominent place in the Bank records, and he felt sure no less favourable results would be forthcoming in the Nechells branch. The popularity of the Bank was largely due to the fact that it belonged to the citizens—it was their Bank.

## 13.

The Lord Mayor expressed his pleasure at being asked to perform that ceremony. He regarded the Bank as a magnificent institution, and said it was almost unbelievable that such wonderful results had been achieved. He congratulated the builders and the architect and paid a tribute to the enthusiasm of the staff. In unveiling the tablet he apologised for paraphrasing a certain anthem, but said it was true that “the more we save together, the thriftier we shall be.”

## 14.

Councillor Corrin in a capital speech, appealed to Nechells people to use the Bank to the full extent. He pointed out how useful such a bank could be to the residents in that area. It would provide them with an opportunity to place their small savings in safe custody until such times as they were required. He stressed the value of the Bank to the women-folk whom he regarded as the real savers. It was marvellous what they could do in this respect, and said, after all, it was the influence of the wife and mother which counted for so much in this connection.



## CHAPTER 25.

### OTHER BRANCHES.

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#### BEARWOOD.

##### 1.

**T**HIS branch was opened on the 3rd November, 1919, in the premises situate at No. 177 Sandon Road, this house being the last in the area of Birmingham, approached from the city. At first the branch was worked in conjunction with Harborne and was open on Mondays, Wednesdays and Fridays, but as it developed, daily openings were provided in September, 1921.

##### 2.

Structural alterations of a minor character have been carried out to afford more space for depositors, but a stage has been reached when more adequate provision for our Bearwood friends must be made. We cannot let our people stand outside the Bank, because there is no room for them inside.

##### 3.

The depositorship of the Bearwood branch has grown from 307 at the 31st March, 1920, to 6,782 at the 31st March, 1927, while the transactions have increased from an average of 70 per week to 771 per week.

#### SPRINGFIELD.

##### 4.

The Bank Committee in 1922 secured the valuable premises situate at Nos. 797-799-801 Stratford Road. Possession of the shop No. 801 Stratford Road was ob-

tained, and a daily branch opened therein on the 1st December, 1922.

5.

The growth of the branch rendered it necessary to provide additional accommodation until such times as the property as a whole could be dealt with, so a substantial wood building as on illustration facing page 192 was erected on vacant land across the road. The lease of No. 797 Stratford Road falls in at the end of September, 1927, and the lease of No. 799 Stratford Road expires in June, 1928. When these premises are obtained we shall be able to carry out a reconstruction which will provide our friends in this area with premises equal to those in other districts.

6.

The depositorship of the Springfield branch has grown from 1,078 at the 31st March, 1923, to 6,057 at the 31st March, 1927, while the transactions have increased from an average of 256 per week to 682 per week.

#### BOURNVILLE WORKS.

7.

Soon after the establishment of the Bank on a permanent basis, negotiations took place with Messrs. Cadbury Brothers respecting the taking-over of their savings fund, established for the benefit of their employees, which fund had been in operation for many years. It was felt that the time had arrived when this fund might be administered as part of the machinery of the Municipal Bank. In March, 1920 it was decided that the transfer should be effected, and with a view to causing as little disturbance of the existing arrangements as possible, it was agreed that it should be managed by the same staff as had previously officiated.

8.

This branch is worked on different lines to other branches of the Bank. Departmental collectors, chosen by the employees in each department, receive contributions from their co-workers every week, and transmit the same to the



LOZELLS BRANCH.



HAY MILLS BRANCH.

branch office at the works, the clerks checking the cash against the record books of the collectors, and confirming the pass-book entries. The ledgers are kept in the branch office, and no one has access to them other than duly appointed officials. Withdrawals can be made either at the branch office or through the departmental collectors.

## 9.

At the time it was taken over by the Bank, Messrs. Cadbury Brothers announced they would continue, until further notice, to add  $1\frac{1}{2}$  per cent. interest per annum on deposits up to £60 per depositor, and would add a special bonus of  $\frac{1}{2}$  per cent. on new money saved during the year up to £30 per depositor. This public-spirited action of the firm has had much to do with the success of the branch, and places the depositors in a favourable position. It is an example which other employers might copy.

## 10.

The branch has worked smoothly, and as instancing its popularity, it may be stated that at the 31st March, 1921, there were 5,137 depositors, whereas at the 31st March, 1927, the depositorship had grown to 8,304. Naturally, under a system of week by week collections the transactions do not show such a wide difference between the two dates named, the average per week for the period ended 31st March, 1920, being 1,510, while for the year ended the 31st March, 1927, the average works out at 1,631 per week.

## FARCROFT.

## 11.

This branch, situate at No. 206 Rookery Road, Handsworth, has been so successful as an evening branch since the 2nd July, 1923, that the committee have decided to alter the premises with a view to providing daily facilities.

## WITTON.

## 12.

This branch, situate at No. 228 Witton Lane, has been equally successful as an evening branch since the 15th

November, 1924, and the premises are now being reconstructed for use as a daily branch.

SUMMER LANE.

13.

This branch, situate at No. 260 Summer Lane, has progressed satisfactorily as an evening branch since the 25th April, 1924, and before long the committee will have to consider the provision of increased facilities.

STECHFORD.

14.

This branch was first opened in the Y.M.C.A. buildings in Lyttleton Road on the 20th September, 1921, but business is now conducted in a substantial wood building which has been erected on land at the corner of Lyttleton Road and Station Road. The land was purchased with the intention of erecting suitable premises as soon as the depositorship justifies such a course. It is therefore up to our Stechford friends to hasten the day when they will have a permanent building with daily openings, instead of the present temporary building.

KINGS NORTON.

15.

This branch, which was opened on the 2nd January, 1925, is held every Friday evening in the front room of a charming house situate at No. 4 The Green. The house dates back to the sixteenth century, and is an interesting old building in an excellent state of preservation.

QUINTON.

16.

This branch was originally opened in the church schools, on the 6th February, 1922, but was later transferred to No. 787 Hagley Road West, better known as the old Post Office, where business is transacted every Friday evening

LONGBRIDGE.

17.

This branch, which was opened on the 8th November,

1924, is held every Saturday afternoon, a room at the Hawkesley Hall being used for the purpose.

## RUBERY.

18.

This branch, first opened on the 6th February, 1925, is open every Monday afternoon, the premises used being the front room of the house, No. 4 Cock Hill Lane.

## REDNAL.

19.

This branch was commenced on the 3rd May, 1926, and is open every Tuesday afternoon, the front room of No. 399 Lickey Road being used for the purpose.

## BROOKVALE.

20.

The business of this branch has been conducted in a substantial wood building erected on land belonging to the Bank, at the corner of Brookvale Road and Brookvale Park Road, since the 26th June, 1926. Here the building-up of a depositorship is being carried on every Monday and Saturday evening, the ultimate object being a permanent building.

## LITTLE BROMWICH.

21.

The business of this branch, which was opened on the 4th September, 1926, is conducted in another of these wood buildings placed on land leased from the Allotments Department and fronting to Bordesley Green. The development of this Monday and Saturday evening branch has been exceptional, and at its present rate of progress it will not be long before a permanent building will be necessary. When this stage is reached the land will be transferred to the Bank.

## PERRY COMMON.

22.

The business of this branch opened on the 4th December, 1926, is conducted in yet another of these wood



buildings, erected on land belonging to the Bank and fronting to Witton Lodge Road. The branch had a good send-off and each Monday and Saturday evening when it is open, further progress is made. Ultimately a permanent building will take the place of the present one.

PYPE HAYES.

23.

This branch, which commenced on the 12th March, 1927, is open on Monday and Saturday evenings and is situate at No. 979 Tyburn Road. The land belongs to the Bank, and as soon as the depositorship is sufficient to justify it, a permanent building will be erected to take the place of the present structure.

BILLESLEY.

24.

This branch was opened on the 30th April, 1927, as an experiment, and with a view to finding the most suitable spot for a branch to cover the area. For the present, one of the substantial wood buildings has been placed on land leased from the Estates Department, and business is transacted therein on Monday and Saturday evenings.

ALUM ROCK.

25.

This branch was also opened on the 30th April 1927, in the shop premises, No. 1 Pelham Road, and business is transacted therein on Monday and Saturday evenings. This course was taken to meet the wishes of many people in the vicinity who wanted to have a Bank near to their homes, but for the information of our friends it can be stated that the committee have bought the premises Nos. 1 and 1a Pelham Road and No. 2 Belchers Lane, with the intention of adapting them for the purposes of a daily branch. Our Alum Rock friends can look to an early start



being made in this direction, but in the meantime they will be able to use the temporary premises.

## NEW DEVELOPMENTS.

26.

New Banks are being erected at BIRCHFIELD, fronting the Birchfield Road, and at HALL GREEN fronting the Stratford Road, while structural alterations are being carried out to premises at No. 176 Alcester Road, MOSELEY. Plans have been approved for a new Bank at the corner of Pershore road and Dogpool Lane, SELLY PARK, and premises at No. 161 SHERLOCK STREET, and Nos. 482 and 484 Stratford Road, SPARKHILL, have been purchased for branch Bank purposes. The committee have also purchased Nos. 36 and 38 Bristol Street, and a plot of land at the corner of Hob Moor Road and Fosbrooke Road, Small Heath, and are negotiating for further sites in other districts.



## CHAPTER 26.

### PROGRESS OF THE BANK.

#### I.

**T**HE test of usefulness of a Municipal Bank is the number of transactions which take place. A glance at chart A, following page 192, will convey to the mind of the reader how remarkable our development has been. The savings Bank and house purchase transactions, during certain periods, have been as follows :—

Seven months ended 31st March, 1920	....	163,787
Year ended 31st March, 1921	....	385,466
“ “ “ “ 1922	....	442,383
“ “ “ “ 1923	....	577,717
“ “ “ “ 1924	....	822,680
“ “ “ “ 1925	....	1,069,045
“ “ “ “ 1926	....	1,270,811
“ “ “ “ 1927	....	1,364,061

To give an idea of the volume of work undertaken there must be added the transactions in water, electricity, and gas accounts, which during the last year totalled 63,525.

#### 2.

Another way of demonstrating the rapid growth of the Bank is to take the number of open accounts at the end of each financial year. Chart B shows this position at a glance, and is further explained by the following figures :—

Seven months ended 31st March, 1920	....	40,130
Year ended 31st March, 1921	....	62,119
“ “ “ “ 1922	....	76,230
“ “ “ “ 1923	....	100,245
“ “ “ “ 1924	....	133,420
“ “ “ “ 1925	....	166,894
“ “ “ “ 1926	....	199,605
“ “ “ “ 1927	....	225,760

These figures do not take into account the many thousands who are indirectly associated with the Bank through the medium of school savings banks, adult schools, clubs, friendly societies and various other organisations. The figures quoted relate only to "live" accounts in the Bank.

## 3.

To accumulate savings at the rate of a million pounds a year is a wonderful achievement, and one which is not equalled by any comparable Bank in this country. Chart C shows the progressive advance year by year, which is further explained by the following figures :—

	£	s.	d.
Seven months ended 31st March, 1920	746,984	0	11
Year ended 31st March, 1921 ....	1,405,977	19	9
" " " " 1922 ....	1,869,595	15	6
" " " " 1923 ....	2,883,942	4	2
" " " " 1924 ....	4,243,540	16	4
" " " " 1925 ....	5,611,532	8	11
" " " " 1926 ....	6,799,511	6	0
" " " " 1927 ....	7,800,221	3	0

## 4.

One sometimes hears it said that the Bank must be receiving large deposits to accomplish these results, but that is scarcely so. After seven years' working, one would naturally expect to find larger balances standing to the credit of individual depositors. An examination of the accounts at the 31st March, 1927, proves that this Bank is being used by those for whose benefit it was established and a classification of the accounts proves the percentage of depositors' balances to be as follows :—

	per cent.
Balances not exceeding £1 ....	33.97
" over £1 but not exceeding £5 ....	17.78
" " £5 " " " £10 ....	9.00
" " £10 " " " £20 ....	9.47
" " £20 " " " £50 ....	12.12
" " £50 " " " £100 ....	7.89



THE "LITTLE WOODEN HUT."  
*Temporary Premises, Saltley Branch.*



SALTLEY BRANCH.  
*Permanent Premises.*



ACOCKS GREEN BRANCH.



SPRING HILL BRANCH.



Balance over	£100 but not exceeding	£250	....	7.06
"	"	£250 " " "	£500	.... 2.11
"	"	£500 " " "	£750	.... 0.42
"	"	£750 " " "	£1,000	0.10
"	exceeding	£1,000	....	0.08

5.

At the 31st March, 1927, the undermentioned premises and lands were owned by the Bank, the entire purchase price having been defrayed out of the funds of the Bank, and *without any financial assistance whatever from the rates* :—

- \* 22 and 24 High Street, Aston
- \* 73 High Street, Kings Heath
- \* 155, 157 and 159 Dudley Road
- \* 117 and 118 Great Lister Street
- † 300 Monument Road
- \* 161 and 163 Stratford Road
- \* 479 Coventry Road
- \* 523 and 525 Bristol Road
- \* 526 and 528 Moseley Road
- † 162 Soho Road
- 797, 799 and 801 Stratford Road
- \* 99 and 101 Aston Road North
- † 206 Rookery Road, Handsworth
- \* 2 and 4 Soho Hill
- \* 1505 and 1507 Pershore Road
- \* 283 High Street, Harborne
- \* 1176 and 1178 Coventry Road
- \* 116 Villa Road
- \* 154 and 156 Alum Rock Road
- \* 684 Washwood Heath Road
- † 701 Bristol Road South, Northfield
- † 34 to 40 Spring Hill
- † 226 and 228 Witton Lane
- \* 1111 Warwick Road
- † 154 Gravelly Hill North
- \* 122 Bordesley Green
- \* 177 Sandon Road
- † 410 Nechells Park Road

- ‡ 176 Alcester Road
- 1 and 1a Pelham Road and
- 2 Belchers Lane
- 482 and 484 Stratford Road
- 161 Sherlock Street
- ‡ Land at —Birchfield
- Brookvale
- ‡ Hall Green
- Perry Common
- Pype Hayes
- Selly Park
- Stechford

\* In these cases reconstruction work has been carried out and the cost defrayed out of profits of the Bank.

† In these cases new buildings have been erected and paid for out of profits.

‡ In these cases reconstruction work is now being carried through or new buildings being erected.

## CHAPTER 27.

### THE FINANCIAL POSITION OF THE BANK.

#### 1.

**I**F there is one thing more than another which ought to characterise any savings Bank, it is absolute security for the depositors. Nothing in the way of profits, or rates of interest on deposits, should be allowed to prejudice the security of the capital, and it is proper here to examine how far the Birmingham Bank may be considered to satisfy this condition.

#### 2.

It is the more necessary to look carefully into the financial aspect of the operations of the Bank, because fears have been expressed lest the rate of interest allowed to depositors, viz.,  $3\frac{1}{2}$  per cent. should be higher than is prudent, and because of the suggestion that the resources of the Bank are not sufficiently liquid.

#### 3.

The balance sheet at the end of March, 1927, discloses that the sum of £7,800,221 3s. od. was standing to the credit of 225,760 depositors in the Bank, and that of this sum there was outstanding, in respect of loans for house purchase, £1,567,358 7s. 7d. Cash in hand at Head Office and at the joint stock banks amounted to £736,154 18s. 4d., and the sum of £5,464,754 8s. 6d. was with the Corporation at call. The reserve fund stood at £99,993 os. 3d.

#### 4.

It will be seen that cash in hand is a little less than three-quarters of a million, whereas house purchase loans are rather more than double this amount and form about one-fifth of the total deposits. Originally, the Bank Committee decided to limit advances for house purchase to one-third

of the deposits, but up to the present the amount of the advances outstanding has never exceeded one-fifth of the deposits. It will be conceded that this proportion of funds used for house purchase advances is reasonable, provided that the £5,500,000 placed with the Corporation is available to meet the liabilities of the Bank.

## 5.

Let us see what happens to the money placed with the Corporation. By arrangement between the Bank and the Finance Committee of the Council, 50 per cent. of the money is invested in trustee securities (including £2,000,000 in war loan), and the remainder is available, at the discretion of the Finance Committee, for general Corporation purposes and as a set-off or reduction of bank overdrafts on other Corporation accounts.

## 6.

Now let us consider for a moment what is the worst that could befall the Bank. It must be remembered that in the case of a Municipal Bank its resources are founded upon the security of the rates. In a city like Birmingham, with its long history of progress and development, it is almost impossible to conceive of such a loss of Municipal credit as to cause a panic among depositors. Let us assume, however, that owing to some great local disaster—a huge fire, a local general strike or lock-out—there has arisen a rumour which has led to a run upon the Bank. Such a run would be the result of a loss of confidence, but that confidence would be restored as soon as it was clear that all demands would be met. The Corporation would have no difficulty in meeting such demands, and would, naturally, fall back upon their own liquid resources in the first instance. In the very unlikely event of these being exhausted the Corporation could make arrangements with their bankers, with whom they are in a position to deposit

large blocks of trustee securities, sufficient to cover any advance which might be necessary.

## 7.

With regard to the rate of interest paid by the Corporation to the Bank, this is discussed and agreed upon by the two committees concerned from time to time. It is naturally variable and dependent upon circumstances, *but has always been below the rate which the City Treasurer is prepared to pay for mortgage money or outside borrowing.*

## 8.

Lastly, as to the rate of interest allowed to depositors. It is not denied that the Bank has, up to the present, been able to pay a rate of  $3\frac{1}{2}$  per cent. and at the same time show a surplus sufficient to provide for the building of new branches, the adaptation and equipment of temporary premises, the writing-off of substantial sums by way of depreciation, and the building-up of the reserve previously mentioned. But it is said that when a general cheapening of money takes place, the present rate will be found to be too high, and then either the Bank will go on paying that rate with disaster to itself, or it will reduce the rate and lose its depositors. The answer to this is short and simple. The rate is not fixed and unchangeable. It was originally settled at a level which gave a somewhat more attractive yield than that offered by the Post Office, and yet a rate which the Bank Committee were of opinion could be maintained for a very long period. If ever the time should come when financial conditions are such as to make the rate of  $3\frac{1}{2}$  per cent. too high, it would no doubt be lowered, but since any lowering of rates would be general, depositors would not have anything to complain of. Nor will anyone who has had experience of the Bank fear, for one moment, that depositors will go elsewhere, even if the rate of interest is reduced. Convenience, custom, sentiment, all pull in the same direction, and it may be confidently said that nothing foreseeable can now shake the stability of the Bank or the faith of its depositors.



## CHAPTER 28.

### CONCLUSION.

#### 1.

**T**HE Bank has been fortunate in many respects ; in having the co-operation of employers, workers, and joint stock banks in 1916 ; in the ever-growing confidence of the people ; in the enthusiasm of the City Council, whose members give it their active support ; and in the constant and unstinted assistance received from the heads of Corporation Departments.

#### 2.

First amongst these must be mentioned the Town Clerk (Mr. F. H. C. Wiltshire) and the City Treasurer (Mr. J. R. Johnson), who are brought into very close contact with it by virtue of their offices, the former acting as solicitor and the latter as treasurer of the Bank. The smoothness of the inter-departmental working is due in a large measure to the personal interest of these gentlemen, whose experience and wise counsel are always at our disposal. Nor must we forget the help and advice given in the early days by Sir Ernest Hiley (a former Town Clerk) and Mr. T. H. Clare (a former City Treasurer). The assistance rendered by Mr. Minshull (then Assistant Solicitor to the Corporation and now the Deputy Town Clerk) in connection with our earlier proceedings, should be acknowledged ; and last, but not least, testimony must be paid to the invaluable services rendered to the Bank by Mr. Arthur Collins, who succeeded Mr. Clare as City Treasurer.

#### 3.

The success of the Bank is due, in no small measure, to the staff, and it is but right that tribute should be paid to their enthusiasm, efficiency and loyalty. From the highest

to the lowest officer, they have one aim, viz., to give of their best in the interests of the Bank, and as an instance of the spirit in which they approach their task it may be mentioned that they take every opportunity, during the winter months, of improving their knowledge by special studies. These studies have been arranged in such a way as to enable them to obtain the certificate of an associate of the Institute of Bankers, the first officer to gain that distinction being Mr. F. H. Whitehouse.

## 4.

If mention is first made of the junior clerks, it is because they deserve it. Coming fresh from school with a desire to get on, one cannot help but notice their enthusiasm and watch with pleasure their progress and development. Much depends on these juniors; they are, as one junior reminded us at a staff dinner, the managers of the future. The female clerks are as capable a body of clerical workers as can be found anywhere and have their hearts in their work. It can be said of them that they discharge their duties with accuracy and give every satisfaction. The sterner sex are no less deserving of praise, and undertake their duties with enthusiasm. Those who are in charge of branches have their particular problems to deal with, but their ability and desire to please the depositors have earned for them high commendation.

## 5.

The principal officers of the Bank have unfailingly demonstrated their efficiency. The working of a new institution, constantly expanding and reaching out in fresh directions, must necessarily present problems for which new solutions have to be found. That none has yet proved insoluble is the best demonstration of the competence of the principals. Mr. F. Ellison, the assistant general manager, came to the Bank in 1919 with a knowledge of savings Bank procedure, gained from a long experience with trustee savings Banks. His co-operation in the management of the Bank has been most valuable, and the writer is pleased to





ERDINGTON BRANCH.



WARD END BRANCH

offer special testimony to the ability, enthusiasm, and sterling worth of Mr. Ellison.

6.

Finally, a word of appreciation is due to the writer's personal staff, who have so loyally and ungrudgingly given splendid service. The efficiency of this small band of officers has had much to do with the success of the Bank.

7.

With all these advantages, the Bank ought to progress. It has the good wishes of people of all schools of political thought, and religious bodies ; it is supported by organisations and clubs of all kinds. All this is as it should be, for the Bank aims at building up a more prosperous and contented people ; it exists to develop habits of thrift, and to create a spirit of independence.

8.

Just as the will found the way for the Bank to the Statute Book, so we have proved that where there is the will to succeed, success can be achieved ; and just as Birmingham has succeeded, so any other town can do the same, provided it creates enthusiasm and secures co-operation such as we have shown exists in Birmingham.



# PART THREE



## CHAPTER I.

### HOW THE DEMAND FOR MUNICIPAL BANKS IS SPREADING.

#### I.

THE success of the Bank has quite naturally caused neighbouring local authorities to enquire whether they could participate in the scheme. The Birmingham Act of 1919 limits advances for house purchase to the area of the city, and while no such limitation is mentioned in the provisions relating to the savings Bank, it would be stretching the intention if branches were set up in the area of another local authority. The close proximity of the Bearwood branch to the Smethwick boundary has caused disappointment to many would-be house purchasers, because of the restriction, and ways of easing the difficulty have been discussed between the two Councils. West Bromwich also would have liked to co-operate with Birmingham so that assistance in connection with house purchase might be rendered to their townspeople.

#### 2.

The question has been considered of promoting a Parliamentary Bill to give effect to the establishment of branch Banks in the area of an adjoining local authority with the consent, or at the request, of such local authority, and to enable the Bank to make advances on houses situate outside the city area, and as a matter of fact, the Bank Committee were prepared to go forward with clauses on the lines indicated with the support of Smethwick and West

Bromwich. The possibility, however, of general legislation being passed has resulted in the contemplated action being postponed.

## 3.

The Smethwick Corporation have pressed the matter upon the Association of Municipal Corporations, and, no doubt, their action hastened the Association giving a considered report on the question of Municipal Banks which is referred to in a later chapter.

## 4.

Another instance of keen effort was the circularising of other Municipalities by the Warrington Town Council in October, 1925, in which circular was given the resolutions passed by that Council as follows :—

That in the opinion of this Council the time has arrived for authority to be given to all county and county borough councils to establish Municipal Banks within their respective areas.

That a copy of this resolution be forwarded to the Ministry of Health and the member for the borough.

That the Association of Municipal Corporations and other local authorities be invited to support the above resolution.

## 5.

Several Municipalities have promoted Bills in Parliament with the object of securing powers similar to those enjoyed by Birmingham, but the Treasury have been successful in persuading the Municipalities concerned to withdraw their clauses, except in the cases of Wigan and Stoke-on-Trent. In these last-named cases the Bills went before the Local Legislation Committee who decided against the promoters, though only by a very narrow majority in the Stoke case.

## 6.

The Financial Secretary to the Treasury, in reply to a question in the House of Commons on the 19th November, 1925, said representations in respect of the establishment of Municipal Banks had been received from nineteen town councils as follows :—Worcester, Smethwick, Middlesbrough, Warrington, Bootle, Wigan, West Bromwich, Cardiff, Rotherham, Walsall, Barnsley, West Ham,



Newcastle-upon-Tyne, Coventry, East Ham, Sheffield, Newport, Gateshead and St. Helens, but it was not proposed to take any steps in the matter at that time.

## 7.

The reason which weighed against the repeated efforts to establish more Municipal Banks may perhaps be found in the letter addressed by the Treasury to the Parliamentary agents for the Bristol Corporation, as follows :—

18th February, 1926.

Gentlemen,

BRISTOL CORPORATION BILL, 1926.

I am directed by the Lords Commissioners of His Majesty's Treasury to inform you that they must request the omission of Part XVI. of this Bill which contains proposals for the establishment by the Corporation of a Municipal Bank.

The only precedent for this proposal appears to be the Birmingham Corporation Act, 1919. In the case of Birmingham, however, a Savings Bank had already been set up under the temporary powers of the Municipal Savings Banks (War Loan Investment) Act, 1916, which permitted the establishment of Municipal Savings Banks for a period expiring three months after the termination of the war. The Birmingham Corporation were the only Corporation to take advantage of these war provisions, and had their powers not been continued by the Birmingham Corporation Act, 1919, it would have been necessary to close down an already existing Savings Bank.

Similar provisions were omitted from the Swansea Corporation Bills of 1920 and 1922, and were disallowed by Parliament in the Wigan Corporation Bill of 1921, and the Stoke-on-Trent Corporation Bill of 1923.

My Lords would conceive that it was the intention of Parliament, while recognising the existing Birmingham Bank, not to encourage the establishment of further Municipal Savings Banks.

The primary object of the Bank would appear to be to take deposits withdrawable on demand and to apply them to housing or other fixed capital expenditure. There are very obvious dangers in borrowing short and lending long in this fashion, and these dangers are much more considerable when the risk is concentrated in one place.

While the provisions in the Bill for regulations to be made by the Treasury go some way to mitigate these dangers, they do not, in their Lordships' opinion, and cannot meet the fundamental

danger of small credit institutions nominally supported by public authorities and confined to comparatively small areas.

My Lords would therefore find it necessary to oppose the Bill if the clauses in question are proceeded with.

Yours &c.,

O. NIEMEYER.

Messrs. Dyson, Bell & Co.

8.

Without questioning the propriety of the action of the Treasury, whose duty of course it is to exercise the most extreme financial prudence, it may be said that there are very cogent considerations which make for a different view. Some of these are set forth in Chapter 27 of Part Two, in which it will be seen how the Birmingham Bank has provided against the dangers foreseen by the Treasury.

9.

On the 10th July, 1923, a "Local Authorities (Savings and Housing Banks)" Bill was presented to Parliament, seeking to enable local authorities with a population of 150,000 or over, or a combination of local authorities giving that population, to establish and maintain savings and housing Banks. This Bill was based on the clauses in the Birmingham Corporation Act, 1919. The sponsors to this Bill were Mr. Leach, Mr. Charles Buxton, Sir Ernest Hiley, Mr. Morel, Mr. Lees-Smith and Mr. Snowden.

10.

On the 10th February, 1926, a "Local Authorities (Municipal Banks) Enabling" Bill was presented, seeking to authorise local authorities, if they think fit, to establish Municipal Banks in their area. These proposals were to apply to any county council, borough council, metropolitan borough council, and urban district council in England after the passing of a resolution by an absolute majority of the members of the council, but the Bill did not apply to Scotland or Northern Ireland. The provisions of the Bill followed on the lines of the Birmingham Act. The spon-



NORTHFIELD BRANCH.



BORDESLEY GREEN BRANCH.



NECHELLS BRANCH.



BEARWOOD BRANCH.

sors to this Bill were Mr. Scurr, Mr. Dalton, Mr. Beckett, Mr. Groves, Mr. Mackinder, Mr. Taylor, and Mr. Ritson,

#### 11.

On the 11th February, 1927, a "Local Authorities (Banks)" Bill was presented, seeking to authorise local authorities with a population of 150,000 or over, or a combination of local authorities giving that population, to establish Banks, and was a reproduction of the first Bill.

The sponsors to this Bill were :—Mr. Thomas Williams, Mr. Scurr, Mr. Dennison, Mr. Paling, Mr. Palin, Mr. Charleton and Mr. Parkinson.

#### 12.

In 1922 a deputation from Birmingham visited Scotland to enquire into savings Bank organisations, and the opportunity was seized of conferring with Mr. T. Johnston (now Member of Parliament for Dundee) regarding the Kirkintilloch Municipal Bank Limited.

#### 13.

Faced with the improbability of Parliamentary sanction being given to small authorities to set up Municipal Banks, like the one in Birmingham, attention was directed to another method. It is understood that Mr. Johnston conceived the idea of members of the Town Council running a Bank as a limited undertaking. It appears to have been arranged that the directorship of the Bank should be restricted to membership of the Council, and that a director ceasing to hold office as a member of the Council should also cease to hold office as a director of the Bank. The directors are, apparently, only expected to find a nominal capital and do not receive remuneration for their services.

#### 14.

It was upon these lines that the Kirkintilloch Municipal Bank Limited was established in 1920, with an authorised capital of 2,000 shares at 1/- each. In three years the preliminary expenses in connection with the formation of the Bank were paid off, and the fourth year was commenced



free from debt. The money received from depositors is transferred to the Town Council funds, and by this procedure the directors state the Town Council has obtained funds at a low rate of interest which has enabled the rate-payers to reap the advantage in reduced rating. The last report dealing with the year ended 30th April, 1926, shows that the sum of £31,910 6s. 9d. was standing to the credit of 750 depositors, and the accounts bear the signature of a Glasgow firm of chartered accountants.

## 15.

When the Birmingham deputation visited Scotland, Mr. Johnston expressed the view that the Bank at Kirkintilloch would be successful, and that the example would be followed by other authorities. It is significant that there are to-day similar Banks in operation in Clydebank, Johnstone, Irvine, Peebles, Selkirk, and Motherwell, while other districts are "toying" with the question of establishing them.

## 16.

Whatever criticisms may be passed upon this form of "banking," testimony should be paid to those who have sought to provide their fellow-men and women with an organisation approaching as near to a Municipal Bank as they can get. No doubt our Kirkintilloch friends would have preferred a Bank exactly like the Birmingham Bank, with the same guarantee behind it, but, tired of waiting for Parliamentary action, they have demonstrated, once again, that where there is a will there is a way.



## CHAPTER 2.

### SUPPORT FROM AUTHORITATIVE ASSOCIATIONS.

#### I.

**M**ANY associations, organisations, and private individuals have explored this question of Municipal Banks and furnished interesting reports from time to time, but there are two bodies in particular which by their constitution and their knowledge are entitled to a respectful hearing, viz., the Association of Municipal Corporations, and the Institute of Municipal Treasurers and Accountants. These two important bodies devoted much time and thought to the matter before issuing their reports and recommendations and they can safely be taken as conveying the Municipal point of view.

#### 2.

In October, 1922, the Association of Municipal Corporations appointed an influential committee to consider the question, such committee consisting of the following members :—

Councillor Appleby (Birmingham)

Alderman Hey (Halifax)

Alderman Dawson, J.P. (Huddersfield)

The Rt. Hon. Alderman Bramble, J.P. (Newcastle-on-Tyne)

Alderman Simpson, J.P. (Sheffield)

Alderman Williets, J.P. (Smethwick)

The Town Clerk of Bristol

The Town Clerk of Derby

The Town Clerk of Rotherham

The City Treasurer of Bradford  
The Borough Treasurer of Swansea

## 3.

The report of the special committee was presented by Alderman Simpson of Sheffield, a chartered accountant by profession, and a gentleman well qualified to handle the subject. His trained mind enabled him to form, with reliability, his own opinions of the Birmingham Bank, which he closely investigated. The report, which was adopted, includes the following recommendations :—

We have given the matter very careful consideration, and in our opinion it is desirable that further steps should be taken to provide facilities for the saving of money with a view to encouraging habits of thrift and that having regard to the fact that in many parts of the country no such facilities exist beyond the post office savings bank, we recommend the Association to press upon the Government the desirability of passing a general Act enabling Municipalities, subject to proper safeguards, to carry on, if they so desire, Municipal Savings Banks upon the lines of the Bank carried on by the Birmingham Corporation, and to enable such Banks to make advances to their depositors on house property.

It is obvious that an undertaking of this character cannot be carried on on a small scale and the power should not therefore, we think, be conferred except upon a town having a population of not less than 15,000, or upon a combination of local authorities, of which at least one should be a Municipal Corporation, having that population within their combined area.

The questions of the rate of interest to be paid by the Corporation upon money invested with them by the Bank and of the rate of interest to be paid to depositors are of vital importance, and we suggest that in regard thereto the following rules should be observed :—

- (a) That upon any funds lent to the Corporation, the Bank, as the lender, should receive not less than the rate of interest being paid by the Corporation to private lenders under similar conditions as to repayment ;
- (b) That while the rate of interest allowed to the depositor need not be restricted to the same rate of interest as that payable on the post office or other savings Banks, it should nevertheless be such as will leave a sufficient margin when deducted from the rate of interest earned by the deposited funds of the Bank, to pay the working expenses when the Bank has become properly established.

There would be no justification for carrying on a Municipal Savings Bank in such a manner as constitutes a charge on the rates, and it ought, after a short period for getting into working order, be self-supporting. Any profit should be devoted in the first place to strengthening the financial position of the Bank, and when that position is deemed to be sufficiently secure, it should be devoted either to the development of the business or to the improvement of the interest allowed to investors. It should not be devoted to relief of rates.

We recommend that a representation be made to the Ministry of Health on the lines of this report and that they be requested to initiate legislation on the subject.

#### 4.

An equally important professional body examined the subject on behalf of the Institute of Municipal Treasurers and Accountants in 1923, such body consisting of :—

The Chamberlain and Treasurer of Plymouth

The Borough Treasurer of Bolton

The Consultant Treasurer of Birmingham (Mr. Arthur Collins)

The Borough Accountant of Brighton

The Borough Treasurer of Preston

The Borough Treasurer of West Hartlepool

The Borough Treasurer of Bootle

The Borough Treasurer of Blackpool

The Borough Treasurer of Kensington

The City Treasurer of Newcastle-on-Tyne

The Borough Treasurer of Halifax

The Borough Treasurer of Acton

The City Chamberlain of Edinburgh

The City Treasurer of Bradford

Their report was introduced by Mr. Arthur Collins, than whom no greater authority could have been found. Through his official connection with Birmingham, as its city treasurer, he had been brought into close touch with the Municipal Bank ; he knew its inner workings ; he was conversant with its progress and development, in which he had taken a prominent part. Mr. Collins expressed the view that Municipal Banks should be limited to towns, or a group of districts, which would cater for a population of 150,000 or

over. The report of the Executive Council, which was adopted, makes the following recommendations :—

The Council think it may be helpful to indicate certain broad principles upon which, in their view, Municipal Savings Banks should be founded, and amongst the most important of these may be mentioned the following :—

- (a) The establishment of a Municipal Savings Bank should not be regarded as having for its primary object the raising of money for Municipal capital expenditure, but rather the provision of facilities for the exercise of thrift under the best and most remunerative conditions, with the same facilities to the local authority for making such use of a part of the accumulated funds as those suggested herein for trustee savings banks.
- (b) The Municipal Savings Bank should be regarded as entitled to obtain within the range of trustee securities the best possible return on its investments.
- (c) That upon any funds lent to the Corporation the Bank, as the lender, should receive not less than the rate of interest being paid by the Corporation to private lenders.
- (d) That there should be no indirect subsidy given to the Bank in the form of free accommodation or service and that all beneficial users of buildings, staff, etc., be costed for inclusion in the working expenses of the Bank.
- (e) That while the rate of interest allowed to the depositor need not be restricted to the same rate of interest as that payable on the Post Office or other savings banks, it should nevertheless be such as will leave a sufficient margin when deducted from the rate of interest earned by the deposited funds of the Bank, to pay the working expenses when the Bank has become properly established.
- (f) That notwithstanding the fact that the savings Bank will have behind it the guarantee of the Municipality, it will be necessary in investing the funds of the Bank to follow the usual practice of other banks and exercise such care and caution in arranging investments as will ensure the Bank carrying liquid assets sufficient to meet any emergency such as an unexpected run on the Bank.

The greatest importance should be attached to the psychology of the small investor who is most sensitive to anything which may appear to affect the security of his capital. The same cautious and conservative policy followed by the best trustee savings banks can therefore advantageously be followed by Municipal Banks in order not only to secure and maintain the public confidence, but to take no risks of injuring the whole of the agencies catering for thrifty people.

It should also be recognised that in towns where a Municipal Savings Bank is established in favourable circumstances it is probable that for the first two or three years the standing charges of the Bank will not be covered by the income represented by the difference between the interest paid to depositors and the interest earned by the Bank on invested funds.

Finally, a Municipal Savings Bank should, after a short period for getting into working order, be self-supporting. Any profit should be devoted in the first place to strengthening the financial position of the Bank, and when that position is deemed to be sufficiently secure, it should be devoted either to the development of the business or to the improvement of the interest allowed to investors. It should not be devoted to relief of rates.

## 5.

These reports and recommendations are sufficiently strong in themselves to call for no further comment. They give a lead to Municipalities generally and to Parliament in particular.





WOOD BUILDING.  
*Used as Temporary Branch Premises.*





## CHAPTER 3.

### INTERNATIONAL INTEREST IN THRIFT AROUSED.

#### I.

**I**N October, 1924, the First International Thrift Congress was held in Milan, advantage being taken of the opportunity afforded for such a congress by the centenary gatherings in connection with the Lombardy Savings Banks. The Lombardy Savings Banks intended at first to hold a congress of a national character, and to invite representatives from foreign countries to participate, but the response to the invitations met with such approval that it was decided to make the gathering international in character.

#### 2.

The Congress was held under the high patronage of His Majesty the King of Italy, and important Ministers of State of the Italian Government. Representatives of many foreign Governments attended the Congress, and 354 Savings Bank delegates were present from Argentine, Australia, Austria, Belgium, Brazil, Bulgaria, Czechoslovakia, Chile, Denmark, Finland, France, Germany, Great Britain, Greece, Holland, Hungary, Italy, Yugoslavia, Lettonia, Luxemburg, Poland, Roumania, Spain, America, Sweden, Switzerland, and Uruguay.

#### 3.

The object of the Congress was to study the institutions and proceedings for collecting, receiving and protecting savings, and the problems connected therewith.

Commissions were set up to deal with the various sections of the work of the Congress as follows :—Legis-

lation, Propaganda, Emigrants' Savings, and Savings and other Banks.

## 4.

The report of the proceedings, which is compiled in a large volume, is a most interesting record, and reflects great credit on Professor Filippo Ravizza, who acted as the organising secretary. The speeches made at the Congress by the various delegates, and the historical review given in the volume referred to, are valuable contributions to all who are interested in thrift, and it is not to be wondered at that the result of the Congress was the setting up of an International Thrift Institute, which appears destined to have far-reaching effects on thrift generally.

## 5.

The value of such an international gathering on a subject of such importance cannot be assessed, but from the subsequent reports issued by the institute it is clear that considerable progress has been made since the Congress in 1924.

## 6.

In 1926 a second Congress took place in Philadelphia (U.S.A.), coinciding with an important assembly of savings Banks, promoted by the National Association of Mutual Savings Banks, and there was a large gathering of interested persons from all parts of the world.

## 7.

These gatherings have given a prominence to thrift which is to be welcomed. The subject has not, in past years, received that serious attention on the part of individual governments which it deserves. There appears to have been, at least in certain countries, a disposition to impose restrictive conditions and limitations which hamper the development of thrift, with the result that enthusiasm

has been stifled, and those who were enthusiasts have become indifferent. Anything which will revive interest in this important matter is worth supporting enthusiastically, and judging from the reports the International Thrift Institute is receiving that support. No doubt the influence of this institute will be felt in the future, and we may look forward to a broader recognition of the valuable services rendered by thrift organisations.



## CHAPTER 4.

### THE GOVERNMENT MOVES.

#### I.

**I**N November, 1926, the Chancellor of the Exchequer appointed a committee to consider whether it is desirable to permit a further extension of Municipal Savings Banks, and if so, within what limits and subject to what conditions, statutory or otherwise.

#### 2.

The personnel of the committee is a strong one, as the following names indicate :—

The Rt. Hon. Lord Bradbury, G.C.B. (chairman).

Sir Laurence Halsey, K.B.E.

Sir Harry Haward.

Col. the Hon. Sidney Peel, D.S.O.

Sir William Schooling, K.B.E., with

Mr. Herbert Gatliff as secretary.

Lord Bradbury was formerly secretary to the Treasury, and later principal British representative on the Reparations Commission in Paris. He has filled many important posts in the financial world, and undertaken many investigations on behalf of the Governments of this country ; but he is, perhaps, better known to the public in connection with the issue of treasury notes. Sir Laurence Halsey was a member of the Royal Commission on Wheat Supplies, 1918-20, and is auditor of the Duchy of Cornwall. Sir Harry Haward is an electrical commissioner, and was for many years the comptroller of the London County Council. He was from 1914-16 Controller of Currency in India, and has been President of the Institute of Municipal Treasurers and Accountants. Colonel the Hon. Sidney Peel is Chairman of the London Foreign and Colonial Securities of the National Discount Company, and was Financial Adviser

to the Foreign Office in 1918. Sir William Schooling, apart from being one of the foremost professional actuaries in the country, will be remembered for his great services in connection with the national savings certificate scheme. He is a Vice-chairman of the National Savings Committee.

## 3.

This Departmental Committee has been holding meetings since November, 1926, and taking evidence from various sources. Several Municipalities have given evidence before them, including Birmingham. The evidence of Birmingham, as the only Municipality possessing a Bank, was in the nature of a recital of its establishment and progress, and was effectively given by the chairman of the Bank (Alderman Sir Percival Bower).

## 4.

Evidence on behalf of the Association of Municipal Corporations was given by Sir William Hart, the town clerk of Sheffield, and that on behalf of the Institute of Municipal Treasurers and Accountants by the city treasurer of Bradford (Mr. F. Ogden Whiteley) and Mr. Arthur Collins, a former city treasurer of Birmingham.

## 5.

Whatever conclusions the Departmental Committee may arrive at in this matter, there is no doubt the Chancellor did a wise thing when he set up the committee. The matter is an important one ; it deserves the fullest investigations and the information which will doubtless be obtained by the committee will be most valuable. It is but natural that objections should be raised to any departure from existing things ; we experience that every day. But the country which stands still, and is content to say we cannot have anything better than what we have got, is a country scheduled for decadence. The great thing to be determined is whether what is proposed will be for the good of the community or not ; if it is, then no opposition should be permitted to frustrate that benefit being conferred.

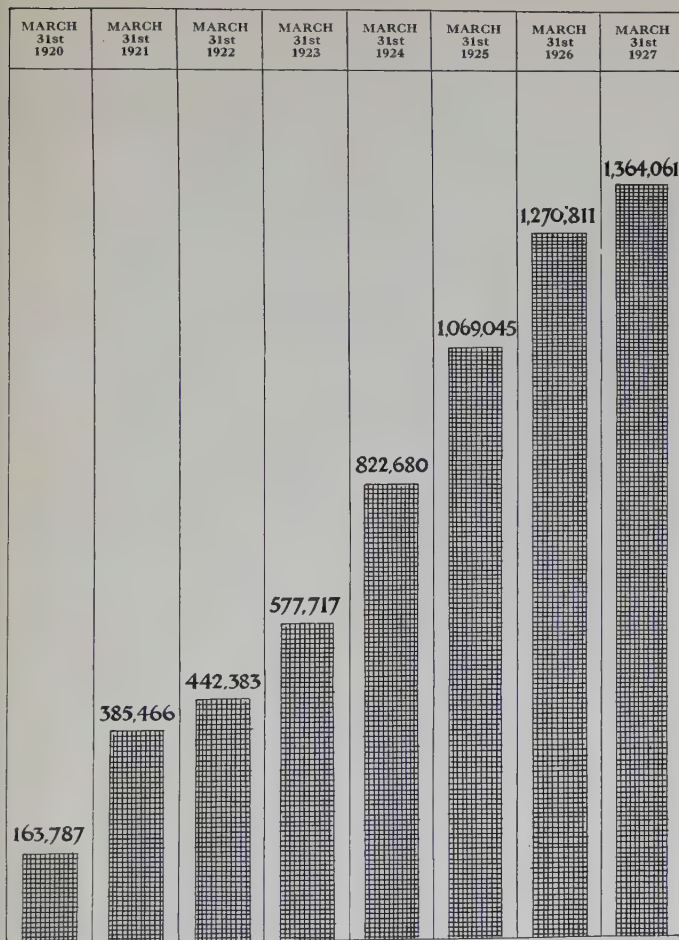
## APPENDIX





A.

# NUMBER OF DEPOSIT & WITHDRAWAL TRANSACTIONS during each Financial Year.



First column represents seven months only.





PREMISES FOR THE FUTURE SPRINGFIELD BRANCH.



## BIRMINGHAM CORPORATION SAVINGS SCHEME.

The Corporation shall open a savings bank, to be called "The Birmingham Corporation Savings Bank," and shall receive deposits in the manner described hereafter. The deposits shall not be transferable or negotiable in any way.

Of the amounts received into the savings Bank, 80 per cent. or such other percentage as may be determined from time to time, shall be invested by the Corporation in Government securities.

The rate of interest payable by the Corporation on such deposits shall be  $3\frac{1}{2}$  per cent., and shall be calculated at the rate of seven-tenths of a penny for each complete pound per month. The rate of interest may be varied or altered by the Corporation at any time after giving six calendar months' notice to the depositors. The interest on deposits shall be paid without deduction of income-tax.

The scheme shall be open to men and women employed in any factory, shop, or office in the city, hereinafter called the depositors, and to associations or societies approved by the Corporation.

The method of joining the savings Bank in any factory, shop, or office shall be as follows :—The depositor may fill up a form requesting his employer to make the deduction from his wages. The ordinary form will provide for a fixed weekly deduction, but special forms may also be used enabling the depositor either to suspend his savings or to request that an additional deduction may be made in respect of any particular week. In all cases the deduction must be 1s. or a multiple of 1s. The employer, when paying wages, shall hand to the depositor coupons representing the amount of the authorised deduction. The coupons shall not be transferable or negotiable. The coupons may be obtained by the employer from his bankers, to whom they will be supplied by the Corporation. The Corporation will also supply to the employer a card for each depositor contributing to the savings Bank. The card will bear the name of the employer and the name of the depositor. The depositor shall affix to the card his coupons, which will be gummed for the purpose. When the coupons on the card reach a total of £1 the card shall be taken to the Corporation Savings Bank or a branch thereof, and exchanged for a deposit book. At the same

time an account shall be opened by the Corporation in the name of the depositor, and interest at the prescribed rate shall be credited from the date of the deposit. The depositor also obtains a new card from the bank, and begins to save again by means of coupons.

A depositor transferring from one employer to another, if the second employer is not in the scheme, may become a member of any association or society approved by the Corporation, and may have his incomplete card transferred. If both employers are included, the coupon card must be produced to the second employer to be marked with his name and address.

Any association or society approved by the Corporation and participating in this scheme shall obtain coupons from its bankers, and shall supply them to the members of the association or society. The Corporation shall furnish suitable coupon cards to such associations or societies, and in approving such associations or societies may make it a condition that they will admit as members, without fine or penalty, depositors transferring to or working for employers who are not in the scheme.

A depositor desiring to withdraw his money, whether represented by a deposit book or an incomplete card, or both, may give seven days' notice in writing of his intention to the Corporation at their savings Bank and forward his book or current card, and at the expiration of that period shall attend either personally or by an authorised representative at the Savings Bank to receive his money.

In the event of the death of a depositor, the Corporation shall pay the amount standing to his credit, together with the amount represented by any coupon card used by the deceased and incomplete at the time of his death, to any person specially nominated by him for this purpose, or in default of such nomination to the executor or other legal personal representative of the deceased.

All forms, deposit books, cards, and coupons shall be provided free of cost by the Central Advisory Committee on war savings, but all other expenses shall be paid by the savings Bank.

The Corporation shall keep accounts of the savings Bank in the prescribed manner, and any deficiency shown in the accounts shall be defrayed out of the borough fund.

The scheme may be determined at any time by a resolution of the City Council to that effect, whereupon the savings Bank shall be wound up by the Corporation, and any surplus funds remaining after repaying any sums provided out of the borough fund to meet deficits shall be divided by the Corporation among

the depositors then on the books rateably in accordance with the amount of their respective deposits, or, if the Corporation so resolve, in accordance with the amount of such deposits and the length of time which such deposits have been on the books of the bank.





## MUNICIPAL SAVINGS BANKS (WAR LOAN INVESTMENT) BILL

TO

Facilitate the Investment of Savings in Securities issued for the purposes of the present War by means of the establishment of Municipal Savings Banks.

**B**E it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

1.—(1) For the purpose of facilitating the investment of savings in securities issued for the purposes of the present war, it shall be lawful for any council to which this section applies, with the consent of the Treasury after consultation with the Local Government Board, to establish and maintain a savings bank, and to receive at that bank deposits, and to guarantee the payment of interest on and the repayment of such deposits, and for that purpose to charge such rate or fund out of which any of the expenses of the council are payable as may be prescribed by regulations made under this section, subject, however, to the following conditions :—

- (a) the bank shall not be carried on (otherwise than for the purpose of winding it up) after the last date fixed for the repayment of any securities in which the funds of the bank are authorised to be invested ;
- (b) all sums belonging to the bank, except such as are retained to meet current liabilities, shall be invested in securities issued by the Treasury for the purpose of the present war and repayable within five years from the date of issue ;
- (c) the accounts of the bank shall be kept separate from all other accounts of the council, and shall be audited in such manner as may be prescribed by regulations made under this section, and no money paid into the bank shall be used for any purpose of the council other than the bank ;
- (d) the rate of interest payable on deposit shall be subject to the approval of the Treasury ;

(e) the bank shall be carried on in accordance with such regulations as the Treasury, after consultation with the Local Government Board, may prescribe.

(2) Regulations made by the Treasury under this section may apply, with or without modification, any of the provisions (including penal provisions) contained in the enactments relating to savings banks, but, save as so applied, those enactments shall not apply to a savings bank established under this section.

(3) The councils to which this section applies are the councils of municipal boroughs and urban districts in England, and royal parliamentary and police burghs in Scotland, having a population, according to the census of nineteen hundred and eleven, of not less than fifty thousand, the councils of metropolitan boroughs and the common council of the city of London.

2. This Act may be cited as the Municipal Savings Banks (War Loan Investment) Act, 1916.

## MUNICIPAL SAVINGS BANKS (WAR LOAN INVESTMENT) ACT, 1916.

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An Act to facilitate the Investment of Savings in Securities issued for the purposes of the present War by means of the establishment of Municipal Savings Banks. (23rd August, 1916).

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

1.—(1) For the purpose of facilitating the investment of savings in securities issued for the purposes of the present war it shall be lawful for any council to which this section applies, with the consent of the Treasury, after consultation with the Local Government Board, or in the case of Scotland with the Secretary for Scotland, to establish and maintain a savings bank, and to receive at that bank deposits, and to guarantee the payment of interest on and the repayment of such deposits, and for that purpose to charge such rate or fund out of which any of the expenses of the council are payable as may be prescribed by regulations made under this section, subject, however, to the following conditions :—

- (a) the bank shall not receive any deposits except from persons in the employment of some other person and made through their employers either by way of deductions from wages or otherwise, nor shall the bank receive any deposit which makes the sum standing in the name of any depositor in the bank exceed two hundred pounds ;
- (b) the bank shall not be carried on (otherwise than for the purpose of winding it up), after the expiration of three months from the termination of the present war ;
- (c) all sums belonging to the bank, except such as are required to meet current liabilities, shall be invested through the National Debt Commissioners in such of the following securities issued for the purposes of the present war as those Commissioners think fit, that is to say, either in Treasury bills or in advances to the Treasury of sums which the Treasury may borrow for the purpose of raising any sum which they are authorised to issue out of the Consolidated

Fund under any Consolidated Fund Act or Appropriation Act ;

- (d) interest shall be paid by the National Debt Commissioners to the bank on the balance from time to time standing to the credit of the bank at such rate as may from time to time be determined by the Treasury having regard to the interest earned on the sums so invested ;
- (e) the accounts of the bank shall be kept separate from all other accounts of the council, and shall be audited in such manner as may be prescribed by regulations made under this section, and no money paid into the bank shall be used for any purpose of the council other than the bank ;
- (f) the rate of interest payable on deposits shall be subject to the approval of the Treasury ;
- (g) the aggregate amount of the sums which a depositor may withdraw in any period of seven days without giving seven days' notice shall be limited to one pound ;
- (h) the bank shall be carried on in accordance with such regulations as the Treasury, after consultation with the Local Government Board, or in the case of Scotland with the Secretary for Scotland, may prescribe.

(2) Regulations made by the Treasury under this section may apply, with or without modification, any of the provisions (including penal provisions) contained in the enactments relating to savings banks, but, save as so applied, those enactments shall not apply to a savings bank established under this section.

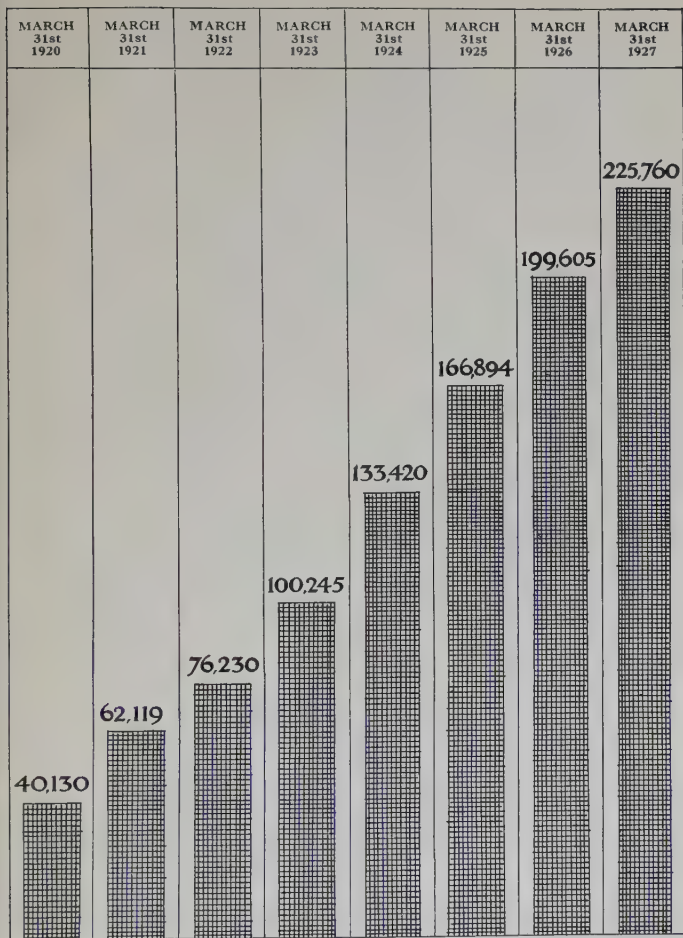
(3) The councils to which this section applies are the councils of municipal boroughs in England, and royal, parliamentary, and police burghs in Scotland, having a population, according to the census of nineteen hundred and eleven, of not less than two hundred and fifty thousand.

2. This Act may be cited as the Municipal Savings Banks (War Loan Investment) Act, 1916.

B.

# NUMBER OF DEPOSITORS.

At the end of each Financial Year.

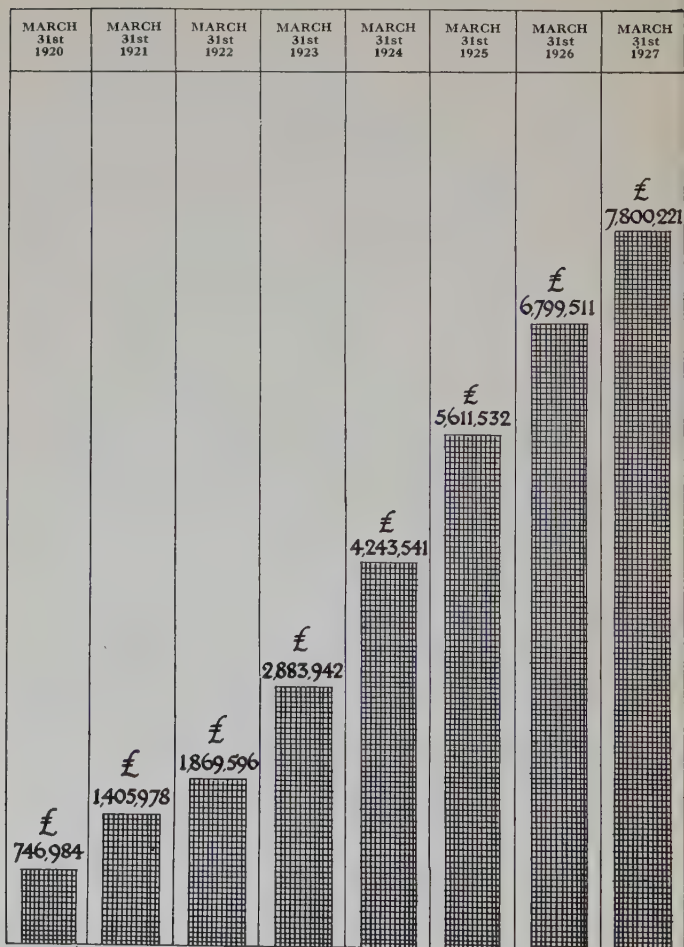


First column represents seven months only.

C.

## DEPOSITORS' BALANCES.

At the end of each Financial Year.



First column represents seven months only.

## MUNICIPAL SAVINGS BANKS REGULATIONS, 1916.

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Whereas savings banks established under the Municipal Savings Banks (War Loan Investment) Act, 1916 (hereinafter referred to as "the Act") are to be carried on and the accounts thereof audited in accordance with such regulations as the Treasury, after consultation with the Local Government Board may prescribe :

Now, therefore, We, the Lords Commissioners of His Majesty's Treasury, after consultation with the Local Government Board, under and by virtue of all powers and authorities vested in us in that behalf, do make the following regulations, that is to say :—

### PRELIMINARY.

1. These regulations may be cited as the Municipal Savings Banks Regulations, 1916.

2. In these regulations, unless the context otherwise requires—  
The expression "the council" means the council of any municipal borough in England establishing and maintaining a savings bank under the Act ;

The expression "savings bank" means a municipal savings bank established under the Act ;

The expression "committee" as applied to the estate of a lunatic means as well the committee of the estate of a lunatic so found by inquisition as any receiver or other person directed by the Judge in Lunacy to exercise, with respect to the estate or property of a lunatic not so found, powers similar to those of a committee, and includes any person appointed by the judge of a county court to realise the property of a lunatic.

3.—(1) Subject to the provisions of the Act and of these regulations the council shall make rules as to the conduct of business at the savings bank, and the rules shall include provision with respect to—

(a) the offices or other places where savings bank business is to be transacted ; and

(b) the days and hours for the transaction of savings bank business at such offices or places ; and



- (c) the manner of making deposits or withdrawals and the procedure thereon, including the keeping of depositors' books.
- (2) The rules shall provide that every application for withdrawal shall be made in a form therein prescribed by the council and not otherwise.
- (3) The rules shall be open at all reasonable times for the inspection of depositors or persons desiring to make deposits, and copies shall be furnished on demand in return for a fee not exceeding threepence for each copy.
- (4) The rules shall be submitted to the Chief Registrar of Friendly Societies for approval and the council shall not commence to carry on savings bank business until the rules are so approved.
- 4. The rules shall provide to the satisfaction of the Chief Registrar of Friendly Societies for the examination and audit of the accounts of the savings bank by a qualified accountant once at least in every half-year.

#### OFFICERS OF THE COUNCIL.

- 5. No officer of the council engaged in the receipt or payment of deposits or other work in connection with the savings bank and no member of the council shall disclose the name of any depositor, or the amount deposited or withdrawn by any depositor except to officers of the council appointed to assist in carrying the Act and these regulations into operation.
- 6. If an officer of the council, who has been entrusted with the keeping of the accounts of a savings bank, or has in his possession, by virtue of his office in the savings bank, any of the money deposited in the bank, dies or is adjudged bankrupt or makes a composition or arrangement with his creditors, or if any writ of execution or other process is issued against his property, any debt due from him to the council by virtue of his office in the savings bank, shall, notwithstanding anything in any enactment to the contrary, be paid in priority to all other debts, including the debt for which the process is issued.
- 7. If any officer of the council receives money from or on account of a depositor, or a person intending to be a depositor, and does not forthwith account for and pay over that money to the council, or otherwise as directed by the rules, he shall be guilty of a misdemeanour.

#### DEPOSITS.

- 8.—(1) The council shall, out of money deposited in the savings bank, pay the sums withdrawn, and shall pay the balance to the National Debt Commissioners for investment in accordance



with the provisions of the Act, but may for the purpose of meeting current liabilities retain a sum not exceeding at any time twenty per centum of the amount deposited.

(2) The payment of any sum to the Commissioners under this regulation shall be accompanied by an order under the hand of the treasurer of the council, or an officer of the council duly appointed for the purpose.

9.—(1) Subject to the provisions of the preceding regulation, the council may, if at any time the amount held by them for the purpose of meeting current liabilities has fallen below ten per centum of the amount deposited, by draft, withdraw any money held by the National Debt Commissioners to the credit of the savings bank.

(2) The officer of the National Debt Commissioners shall, within five days after the production of the draft, endorse thereon and sign an order for payment of the sum mentioned in the draft.

10.—(1) The rate of interest payable on deposits shall not in any case be reduced by the council except after three months' notice to the depositors, and subject to the consent of the Treasury as provided by the Act.

(2) The interest shall be computed yearly up to the last day of the savings bank year or half-yearly up to the last day of each savings bank half-year, and shall be placed to the credit of the depositor.

(3) The interest so credited shall become part of the principal, and shall carry interest in like manner as a deposit.

11. Whenever the sum standing to the account of one depositor exceeds two hundred pounds, interest shall not be allowed on any sum in excess of two hundred pounds, but the excess shall (subject to the following regulation) be paid over to the depositor.

12.—(1) A person who is a depositor in a savings bank shall not have a second account in that bank.

(2) If a person at any time has deposits standing to the credit of more than one account in the same savings bank, he shall be liable to forfeit any amount illegally deposited, either as to the whole thereof or to such extent as the National Debt Commissioners may think just in the circumstances of the case; and any sum so forfeited shall be paid to the National Debt Commissioners and applied to the reduction of the national debt.

13. The fund to be charged under the Act for the purpose of guaranteeing the payment of interest on and the repayment of deposits shall be the borough fund.

#### WITHDRAWALS.

14. On demand of the depositor or party legally authorised to claim on account of a depositor, made in such form as may be prescribed by the rules for withdrawal of any deposit, the depositor

or party so legally authorised shall be absolutely entitled to the repayment of any sum or sums that may be due to the depositor within seven days at farthest after the demand shall have been made.

15.—(1) An application for the withdrawal of money deposited by, or in the name of, an infant may be made by the infant.

(2) Upon such application payment may be made to such infant, and his receipt shall be a good discharge to the council for the amount paid to him.

16.—(1) An application for the withdrawal of money deposited in the name of a person of unsound mind shall be made by the committee of the estate of such person.

(2) Upon such application payment shall be made to such committee, and his receipt shall be a good discharge to the council for the amount paid to him.

(3) Where a depositor is insane, and no committee of his estate has been appointed, the council may, when it is proved to their satisfaction that it is just and expedient so to do, pay the deposits standing in the name of the depositor, or any part thereof, to any person whom they shall judge proper to receive the same, and the receipt of such person shall be a good discharge to the council for the sum so paid.

### NOMINATIONS.

17. Subject to the provisions of these regulations, a depositor of the age of sixteen years or upwards may nominate any person to receive any sum due to such depositor at his decease.

18.—(1) Every such nomination shall be in writing, or in a form which may be provided by the council, and shall be signed by the depositor in the presence of a witness, and shall be sent by post or otherwise to the Council during the lifetime of the depositor.

(2) The receipt of every such nomination shall be acknowledged by the council.

19. Every such nomination shall be registered by the council in a book to be kept for the purpose.

20.—(1) Any such nomination may be revoked by the depositor by writing under his hand signed in the presence of a witness.

(2) Any such revocation shall be sent by post, or otherwise, to the council during the lifetime of the depositor, and shall be registered by the council in a book to be kept for that purpose in like manner as in the case of a nomination.

(3) The receipt of every such revocation shall be acknowledged by the council.

21. A nomination may relate to the whole of the deposits standing in the name of a depositor, or to part only of such deposits.

22. A nomination may be in favour of one person or of several persons, and, in the latter case, may direct that specific sums shall be paid to one or more of the persons named in the nomination, or that the persons named in such nomination may take the deposits in specified shares, or may give directions to both effects.

23. No person who witnesses the signature of a depositor to a nomination shall take any benefit under such nomination.

24.—(1) Where the sums due by the council on the decease of a depositor do not exceed in the whole the sum of one hundred pounds, and the council have no notice of the claim of any creditor of the depositor, the council shall, subject to the provisions of these regulations as to duty, pay the persons named in any nomination made by such depositor, and in force at the time of his death, according to the directions of such nomination, and the receipt of any person so named shall be a good discharge to the council for the sum so paid, notwithstanding such person has not attained the age of twenty-one years, if such person has attained the age of sixteen years.

(2) If upon the decease of a depositor the sums due to him or to his estate exceed one hundred pounds, any nomination made by such depositor shall take effect, subject to the provisions of these regulations as to duty, as regards any sum or sums to which the same relates, not exceeding one hundred pounds, in like manner as if it were a will of the deceased depositor duly executed, but shall not take effect in any other manner, and a nomination shall not in such case be deemed void because the depositor was a minor at the time such nomination was made.

(3) In any such case as last aforesaid, the council may, if they have no notice of the claim of any creditor of the depositor, and subject to the provisions of this regulation, pay any sum or sums to which a nomination relates, not exceeding in the aggregate one hundred pounds, according to the directions of such nomination, notwithstanding the production of probate of the will of a deceased depositor, or letters of administration to his estate.

25. Where on the death of a depositor who has made a nomination the council have notice of a claim of any creditor against the estate of such depositor, and such estate, apart from the amount nominated, is not sufficient to satisfy such claim, the council may in their discretion apply the amount nominated in or towards the satisfaction of such claim ; but, subject as aforesaid, any payment made by the council to the nominee, whether the amount due to the depositor at his death does or does not exceed one hundred pounds, shall be a valid payment, and the receipt of the nominee shall be a good discharge to the council for the sum so paid.

26. Where any person nominated to receive any sum on the death of a depositor is the child or other issue of the depositor, and such person dies in the lifetime of the depositor leaving issue, and any such issue of such person is living at the time of the death of the depositor, the nomination shall take effect as if the death of the person nominated had happened immediately after the death of the depositor, unless a contrary intention appears by the nomination; but in every other case the death of the person nominated in the lifetime of the depositor making the nomination shall operate as a revocation of the nomination in favour of such person.

27.—(1) Subject to the provisions of these regulations, the marriage of a depositor contracted after the date when these regulations come into operation shall operate as a revocation of any nomination made by such depositor before such marriage.

(2) Where the council have paid money to a nominee in ignorance of the fact that the person making the nomination has married subsequently to the nomination, the receipt of the nominee shall be a valid discharge to the council.

#### PAYMENT OF DEPOSITS OF DECEASED DEPOSITORS.

28. The council may require proof to their satisfaction of the decease of a depositor.

29.—(1) Where the whole amount due by the council to a depositor at the time of his decease does not exceed one hundred pounds exclusive of interest, and probate of the will of such depositor, or letters of administration of his personal estate, is not or are not produced to the council within such time as they may think reasonable, if such depositor has made no nomination and so far as any nomination does not extend, the council may, subject to the provisions of these regulations as to duty, without requiring probate of the will or letters of administration, pay or distribute the amount so due as aforesaid to or among any of the persons hereinafter described or indicated, that is to say:—

- (a) any person who has paid the funeral expenses of the depositor :
- (b) creditors of the depositor :
- (c) the widow or widower of the depositor :
- (d) the persons entitled to the personal estate of the depositor, according to the statutes of distribution :
- (e) any person undertaking to maintain the children of the depositor :
- (f) the solicitor to the Treasury, if the depositor, being illegitimate, dies intestate, leaving no widow, widower, or issue :
- (g) the solicitor to the Duchy of Lancaster, if the estate of the depositor has devolved upon that Duchy :

(h) the solicitor to the Duchy of Cornwall, if the estate of the depositor has devolved upon that Duchy.

(2) The receipt of any of the persons mentioned in this regulation shall be a good discharge to the council for the sums paid, and any such receipt may be signed by any widow, widower, or next-of-kin above the age of sixteen years, notwithstanding that she or he has not attained the age of twenty-one years.

### PROVISIONS AS TO DUTY.

30.—(1) If the total property of any deceased depositor exceeds one hundred pounds, after deduction of debts and funeral expenses, any sum which may, under these regulations, be paid otherwise than to the legal personal representative of the depositor, shall, notwithstanding such payment, be for the purposes of estate duty treated as passing under the will or intestacy of the deceased depositor.

(2) The council shall, before making any payment in respect of deposits standing to the credit of a deceased depositor to anyone but the legal personal representative of such deceased depositor, require a declaration (in the form of schedule hereunto annexed) by the claimant, or one of the claimants, that the total estate of the deceased depositor, including the amount of such deposits, does not after deduction of debts and funeral expenses exceed the value of one hundred pounds.

(3) In every such case as aforesaid, where the total estate of the deceased depositor, including such deposits, but after deduction of debts and funeral expenses, exceeds one hundred pounds, the council shall, before making any payment to any person other than the legal personal representative of the deceased depositor, require production of a certificate from the Commissioners of Inland Revenue of the payment of the estate duty, and of a duly stamped receipt for the succession or legacy duty, payable in respect of such deposits, or of a certificate stating that no succession or legacy duty is payable.

31. If a depositor in a savings bank dies and the whole of his estate in respect of which probate or letters of administration is or are granted does not exceed the value of one hundred pounds legacy duty shall not be chargeable in respect thereof or of any part thereof, and where letters of administration are granted, stamp duties shall not be chargeable on any affidavit or other document connected with administration.

32. Stamp duty shall not be chargeable on any instrument or document made or given in pursuance of the Act or of these regulations.

33. The provisions of section thirty-six of the Finance Act, 1894, and of section twenty-one of the Finance Act, 1915 (which



relate to the relief from income tax in favour of savings banks), shall apply to savings banks established under the Act as they apply to the banks specified in the said sections.

### WINDING UP.

34. For the purpose of winding up a savings bank the provisions of the Companies (Consolidation) Act, 1908, in regard to the winding up of unregistered companies, shall apply with the necessary modifications :

Provided that—

- (a) paragraph (ii.) of section two hundred and sixty-eight of that Act shall not apply ;
- (b) the Council shall be the liquidators ; and
- (c) any surplus funds, after satisfaction of the liabilities of the savings bank to the depositors and otherwise, including the repayment of any sums provided out of the borough fund to meet deficits, shall be divided among the persons who were depositors in the savings bank at the commencement of the winding up in accordance with a scheme to be approved by the Treasury.

### SETTLEMENT OF DISPUTES.

35.—(1) If any dispute arises between the council and any depositor in a savings bank, or any person claiming to be entitled to any money deposited in a savings bank, the matter in dispute shall be referred in writing to the Chief Registrar of Friendly Societies.

(2) On any such reference being made the Chief Registrar may proceed ex parte on notice in writing sent by post to the council, and may inspect any books of the council which relate to the matter in dispute, and may administer oaths to any witnesses appearing before him, and his award on the matter in dispute shall be final and binding on all parties.

36. There shall be charged on any award made under the preceding regulation by the Chief Registrar the same fee as is payable in the like circumstances in the case of savings banks under the Treasury Warrant of March 29th, 1879, and any fee so charged shall be paid into the Exchequer, and shall be paid by such persons and in such manner as is directed by the said warrant.

### SUPPLEMENTAL.

37.—(1) A savings bank shall not be designated or described in any manner which imports that the Government is responsible or liable to the depositors for money placed in the safe-keeping of the bank.

(2) If default is made in compliance with the requirements of this section, the consent of the Treasury to establish and maintain the savings bank may be withdrawn.

38. A savings bank is a bank within the meaning of the Bankers' Books Evidence Act, 1879, and that Act shall apply accordingly.

39. When any payment is made or act done by the council in accordance with the Act or these regulations, or the rules of the savings bank, they shall be indemnified against all claims on the part of any person in respect of such payment or act, but any person may nevertheless recover any sum lawfully due to him from the person to whom the council have paid the same.

40. The National Debt Commissioners are hereby indemnified for anything done by them or any of their officers in pursuance of the Act or of these regulations.

41. The council shall from time to time make in such form as the Treasury may prescribe an abstract of the savings bank accounts as audited showing the financial position of the savings bank, and shall cause notice that the abstract has been prepared and is open to inspection by depositors to be publicly given, and any depositor shall be entitled to inspect such abstract or a copy thereof without payment of any fee.

42. The council may delegate, with or without any restrictions or conditions, to a committee of the council consisting either wholly or partly of members of the council, all or any of their powers and duties under the Act or these regulations, provided that a majority of the members of the committee shall be members of the council.

Dated this 6th day of September, 1916.

GEOFFREY HOWARD,  
WILLIAM C. BRIDGEMAN,

Two of the Lords Commissioners of  
His Majesty's Treasury.

## SCHEDULE.

## ESTATE, LEGACY, AND SUCCESSION DUTY.

FORM for use in cases where the deceased had deposits in the Savings Bank and exemption from estate, legacy or succession duty is claimed on the ground that the estate is under £100 in value.

AN ACCOUNT of the estate and of the debts and funeral expenses of ..... of .....  
the Depositor in the.....Savings Bank Account  
No.....who died on the.....day of.....  
one thousand nine hundred and.....rendered by  
.....  
.....

Description of Property.	Value of Property.		
	£	s.	d.
Cash in house ....			
Money deposited in the Savings Bank, or in any other savings bank ....			
Furniture, wearing apparel, &c. ....			
Stock-in-trade, &c. ....			
Life assurance policies....			
Money payable by any friendly or other society			
Book and other debts due to the deceased ....			
Money invested in the public funds, through the medium of this savings bank or other- wise, or in any railway or other shares or stocks ....			
Leasehold Property, viz. :—			
Personal property of any other description viz. :— ....			
Freehold or copyhold houses or land, viz. :—			
£			
Debts due by the deceased ....			
Funeral expenses ....			
£			

## DECLARATION.

I do declare that the above is a just and true account.

Dated this.....day of.....19.....



## BIRMINGHAM CORPORATION SAVINGS BANK RULES, 1916.

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### 1. *Name and Object.*

The bank shall be called the "Birmingham Corporation Savings Bank," and shall be carried on to facilitate the investment of savings in accordance with the Municipal Savings Banks (War Loan Investment) Act, 1916.

### 2. *Rules.*

The bank shall be conducted and governed in conformity with the provisions of the said Act and regulations made by the Treasury in pursuance thereof and the following rules, which rules shall be binding on the Committee of Management and the officers of the bank and the depositors therein and their representatives. These rules shall be open at the bank and any of its branches at all reasonable times during banking hours for the inspection of depositors or persons eligible and wishing to deposit in the bank, and copies shall be furnished on demand in return for a fee of twopence for each copy.

### 3. *Committee of Management.*

The affairs of the bank shall be under the control and management of a Committee of Management (hereinafter called the Committee), consisting of five members with the Lord Mayor *ex officio* of whom four at least shall be members of the council appointed annually by the Birmingham City Council.

### 4. *Offices and Branches.*

The head office of the bank shall be at the Council House, Birmingham. The committee may from time to time open and maintain branch offices for transacting the business of the bank elsewhere than at the head office and for that purpose may acquire the tenancy of any premises. The committee may close any branch if they think fit to do so. The committee shall give seven days' previous notice before opening or closing any branch, such notice to be displayed in a conspicuous place at the head office and be sent to the Chief Registrar of Friendly Societies.

### 5. *Hours and Days of Business.*

The offices of the bank shall be open for the transaction of business on one day at least in every week except Sunday and

during such hours as the committee shall from time to time appoint, but shall not be open on any Bank Holiday or public holiday. Notice of any change in days or hours shall be posted in a conspicuous place at the head office and at any branch office affected thereby. No money shall be paid to any depositor except at one of the offices of the bank and during the prescribed hours of banking business.

6. *Accounts to be kept and Books.*

There shall be kept by the officers of the bank such books of account as shall be requisite, and shall be prescribed by the Committee of Management.

7. *Audit.*

The committee shall appoint annually one or more chartered or incorporated accountants as auditors, but not out of their own body, to audit and examine the books, securities and vouchers and to report in writing to them not less than once every half-year. Such accountant or auditor shall (*inter alia*) examine and test the accuracy of the cash books and ledgers, and shall certify as to the correct amount of the whole liabilities and assets of the bank. A retiring auditor shall be eligible for re-appointment.

8. *Method of joining Bank.*

(a) No person shall be eligible to be a depositor at the bank except a person in the employ of some other person in the city of Birmingham who is prepared to co-operate with the committee in regard to the making of deposits by or on account of his employees in accordance with the Act and these rules.

(b) All deposits at the bank shall be made in Birmingham Corporation Savings Bank coupons (herein referred to as coupons), which shall be of the value of 1s. or a multiple of 1s., and shall be purchaseable from the bank by any employer direct or obtainable by him through any bank in the city from whom he desires to obtain them, and for that purpose any such other bank shall be supplied with such coupons by the bank on terms arranged with the committee.

(c) The coupons shall not be transferable or negotiable.

(d) Any person eligible and desiring to become a depositor (hereinafter referred to as the depositor) shall, in a form prescribed by the committee which shall be supplied by the bank to the employer, authorise and request his employer to pay to him a specified amount of his wages in coupons instead of in cash until such time as he revokes or varies the authority in the prescribed form.

(e) On receipt of such request and authority the employer shall be entitled to pay to the depositor the specified amount of wages in coupons, and the depositor shall accept such coupons in lieu of cash.

(f) The depositor shall affix all coupons received by him to a coupon card (the form of which shall be prescribed by the committee), which shall be supplied by the bank to the employer, and by the employer to the depositor. Each coupon card shall be numbered by the bank before issue, and a record of the name of the employer to whom it is issued shall be made. The depositor shall sign his name on the card and fill in his address thereon. The name of the employer shall also be entered on the card.

(g) When coupons to the value of £1 have been annexed to the card the depositor shall take the card to the bank or a branch thereof, and an account shall thereupon be opened at the bank in the name of the depositor, and a depositor's pass book issued to the depositor with a coupon card for further savings. The depositor, on opening an account at the bank, shall furnish a specimen of his signature.

#### 9. *Deposits.*

All deposits, repayments and withdrawals shall be regularly entered in the pass book issued to each depositor, and this book must be produced at the bank whenever any business is transacted, and left at the head office twice at least in every year for the purpose of being examined and of having the interest credited.

The pass book shall be the depositor's receipt and voucher, and its production by the depositor, or other person authorised in writing by the depositor, in the absence of any previous claim to the deposits entered therein, shall be at all times a sufficient authority for repayment of money notwithstanding bankruptcy, insolvency or any other legal disability of the depositor.

The deposits shall not be transferable or negotiable in any way.

The bank shall not receive any deposit which makes the sum standing in the name of any depositor in the bank exceed £200.

#### 10. *Withdrawals.*

A depositor desiring to withdraw his money, whether represented by a deposit book or an incomplete card, or both, may give seven days' notice in writing of his intention to the committee at the bank, and shall forward his book or current card, and at the expiration of that period shall attend either personally, or by a representative authorised by writing at the bank to receive the amount of the withdrawal.

The notice of withdrawal shall in all cases state the amount to be withdrawn, and shall be in the form prescribed by the committee and must be signed by the depositor.

Any notice of withdrawal which is not acted upon within fourteen days after the expiration of the notice will be treated as cancelled and of no effect.

11. *Interest on Deposits.*

The interest allowed to depositors shall be at the rate of £3 10s. per centum, and shall be calculated at the rate of seven-tenths of a penny on every complete £ per month. It shall be credited on the 30th September and the 31st March in each year. The interest so credited shall become part of the principal and shall carry interest in like manner as a deposit. The rate of interest may be varied at any time by the committee with the approval of H.M. Treasury, but shall not be reduced except after giving three months' previous notice to the depositors.

12. *Savings Bank Year.*

The period of the Savings Bank year shall be from the first day of April to the thirty-first day of March.

13. *Payment for Incomplete Cards.*

(a) If any person owning an incomplete card shall die the committee shall pay on production of the card at the head office to the person or persons who appear to the committee to be entitled thereto the amount represented by such card without interest.

(b) In the event of the bank being wound up the committee shall pay to the owner of every incomplete card the amount represented by such card without interest on presentation of the card by the owner at the head office.

14. *Closing of Accounts.*

The committee shall have power to close any account and return to any depositor the amount of his deposit, interest in such cases being allowed for not more than seven days after notice has been given to such depositor.

15. *Lost Pass Book.*

In the event of any depositor losing his pass book he must at once give notice to the head office, and in one month from that notice, on a satisfactory indemnity being given and the payment of sixpence, he may receive a new pass book containing a duplicate of his account. Should any person present a depositor's pass book or other voucher and unlawfully obtain from the bank any deposit or sum of money credited therein without the authority of the depositor, neither the bank nor any of the officers will be responsible for the loss that may be sustained thereby, nor be liable to make good the same unless the depositor shall have previously given notice in writing of the loss of the pass book or voucher.

16. *Winding up.*

The Council may at any time pass a resolution intimating their desire to discontinue the operations of the bank, whereupon the bank shall forthwith be wound up.

17. *Interpretation of Rules.*

Words and expressions which have been defined by the Interpretation Act, 1889, shall have the same meaning in these rules as is assigned to them by that statute.

18. *Alteration of Rules.*

The Council of the City of Birmingham may on the recommendation of the committee from time to time alter or rescind all or any of the then existing rules of the bank or make any new rules in conformity with the statutes and statutory regulations for the time being relating to the bank, but no alteration or rescission of rules or new rule shall come into force until approved by the Chief Registrar of Friendly Societies.

19. *Commencement of Rules.*

These rules and any alterations or amendments thereof shall come into force and be binding on the Council, the committee, the officers, and the depositors of the bank or their representatives as soon as they shall have been approved by the Chief Registrar of Friendly Societies.

20. *Prescribed Forms.*

Where any form is prescribed by the rules, it shall be prepared by the committee and submitted to the Chief Registrar of Friendly Societies for his approval, and such form may be altered or revised from time to time by the committee subject to the like approval.

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The Corporate Seal was affixed hereto on the 15th day of September, One Thousand Nine Hundred and Sixteen.

NEVILLE CHAMBERLAIN,  
*Lord Mayor.*

I approve the foregoing rules of the Birmingham Corporation Savings Bank pursuant to Regulation 3 (4) of the Municipal Savings Banks Regulations 1916.

G. STUART ROBERTSON,  
*Chief Registrar of Friendly Societies.*

September 18, 1916.



**BIRMINGHAM CORPORATION SAVINGS BANK.**  
**AUTHORITY FOR PART PAYMENT OF WAGES BY COUPON.**

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To .....

I, .....

of .....

hereby authorise and request you when paying my wages to pay the sum of..... Shillings  
per week by means of coupons with a view to an account being opened in my name at the Birmingham  
Corporation Savings Bank.

I agree that no alteration in the amount of coupons required in each week shall be made unless notice  
in writing in the prescribed form signed by me shall have been given to you at least 3 days preceding the  
date the wages are paid.

.....1916.

\*The name is required in full.

.....  
Signature of Depositor.

.....  
Depositor's Works No.....

# COUPON

No. ....

Name .....

Address .....

.....

Name of Employer.....




# CARD

		Folio in Register of Deposits.

## EXTRACT FROM THE BIRMINGHAM CORPORATION ACT, 1919.

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### SAVINGS AND HOUSING BANK.

11. The Corporation may establish and maintain a savings bank and may receive at that bank deposits and may guarantee the payment of interest on and the repayment of such deposits subject to the following conditions :—

- (1) The accounts of the bank shall be kept separate from all other accounts of the Corporation ;
- (2) The bank shall be carried on in accordance with such regulations as the Treasury or the Corporation with the approval of the Treasury may prescribe.

The regulations to be prescribed under this section may apply with or without modification any of the provisions (including penal provisions and any provisions granting exemption from stamp duty in respect of instruments and documents), contained in the enactments relating to savings banks but save as applied by the regulations those enactments shall not apply to the bank.

12.—(1) The Corporation may establish a housing department of the bank and may make advances upon the security of freehold copyhold, or leasehold estate by way of mortgage to any depositor in the bank desiring to purchase or acquire a dwelling-house or dwelling-houses within the city or any interest therein and for this purpose shall have power to hold land with the right in foreclosure subject however to the conditions prescribed in subsection (3) of the section of this Act whereof the marginal note is “Assistance in providing housing accommodation.”

(2) The Corporation for the purposes of this section may utilise and invest the funds of the bank.

# BIRMINGHAM MUNICIPAL BANK REGULATIONS, 1925.

## MANAGEMENT.

### 1. *Name.*

The bank shall be called "The Birmingham Municipal Bank."

### 2. *Short title of Regulations.*

These regulations may be cited as the Birmingham Municipal Bank Regulations, 1925.

### 3. *Interpretation.*

In these regulations unless the context otherwise requires—

The expression "The Act" means the Birmingham Corporation Act, 1919 ;

The expression "The Corporation" means the Lord Mayor, Aldermen and Citizens of the City of Birmingham ;

The expression "The Bank" means the Birmingham Municipal Bank ;

The expression "the bank year" means the year ending on the 31st day of March.

The expression "friendly society" means a friendly society legally registered in the manner required by the Acts in force relating to friendly societies, and includes a registered branch.

The expression "charitable society" means a penny savings bank, a school savings bank, charitable or provident institution or society, and shall include a charitable donation or bequest for the maintenance, education or benefit of the poor, and any fund of such a nature as the committee of management in their absolute discretion shall deem proper to be deposited in the bank.

The expression "officer" used in connection with a society or body corporate includes the solicitor of such society or body.

The expression "committee" as applied to the estate of a person of unsound mind means as well the committee of the estate of a lunatic so found by inquisition as any receiver or other person directed by the judge in lunacy to exercise with respect to the estate or property of a lunatic not so found powers similar to those of a committee, and includes any person appointed by the judge of a county court to realise the property of a lunatic.

The expression "Solicitor to the Treasury" means the Solicitor for the Affairs of His Majesty's Treasury.

Words and expressions which have been defined by the Interpretation Act, 1889, shall have the same meaning in these regulations as is assigned to them by that statute.

4. *Commencement of Regulations and repeal.*

These regulations shall come into operation on Wednesday, the first day of April, 1925, on and from which date the Birmingham Municipal Bank Regulations, 1919, and the rules made and adopted by resolution of the Council of the City of Birmingham on the 29th day of July, 1919, are hereby repealed, without prejudice nevertheless to anything already done or proceeding taken in pursuance of such regulations and rules.

5. *Inspection of Regulations and supply of copies.*

These regulations shall be open at all reasonable times for the inspection of depositors or persons desiring to become depositors.

A copy shall be supplied to any person on demand without charge.

6. *Regulations binding on all parties.*

The bank shall be conducted and governed in conformity with the provisions of the Act and these regulations, which shall be binding on the Corporation, the committee of management, the officers of the bank, and the depositors therein and their representatives.

7. *Objects of the Bank.*

The objects of the bank are—

- (a) To receive deposits and to guarantee the payment of interest on and the repayment of such deposits.
- (b) To advance money to any depositors desiring to purchase or acquire a dwelling-house or dwelling-houses in the City of Birmingham, or any interest therein.
- (c) To utilise and invest the funds of the bank in accordance with the Act and these regulations or such other regulations as may be made as therein provided.

8. *Management of the Bank.*

The management of the bank shall be vested in a committee of management appointed annually by the Corporation, acting by the Council of the City of Birmingham, consisting of not more than fifteen members, with the Lord Mayor *ex officio*, of whom ten at least shall be members of the Council of the City of Birmingham.

9. *Powers and duties of the Committee of Management.*

The committee of management shall have power to appoint and dismiss as they think fit all officers and servants of the bank, and to pay them such salaries or other allowances for their services as they may think proper, but subject to the General Instructions to Committees of the Council of the City of Birmingham or to such other instructions as may from time to time be given by the said Council.

The committee of management shall provide for the safe custody of all moneys, mortgage deeds, and all other securities and property belonging to the bank. The committee of management shall make an annual report of the transactions and state of the funds of the bank to the Council of the City of Birmingham, but otherwise shall perform and exercise all the powers and duties which are conferred upon the Corporation under or by virtue of the Act or any subsequent amending Act and the regulations for the time being in force relating to the bank (except for borrowing money and making a rate).

10. *Liability of Committee.*

No member of the committee of management of the bank shall be personally liable except—

- (1) For moneys actually received by him on account of or for the use of the bank and not paid over and disposed of in the manner directed by these regulations ;
- (2) For neglect or omission in complying with these regulations ;
- (3) For neglect or omission in taking security from or in respect of officers.

11. *Manager's powers.*

The committee of management shall appoint a manager, who shall superintend and manage the bank in conformity with the Act, these regulations, and such other directions as the committee of management may give from time to time.

12. *Seal.*

The seal of the Corporation shall be the seal used on all documents of the bank requiring a seal to be affixed, and shall only be affixed by order of the committee of management or the Corporation acting by the Council of the City of Birmingham.

13. *Offices and branches.*

The head office of the bank shall be at such place as the committee of management may deem fit. The committee of management may from time to time open and maintain branch offices for transacting the business of the bank elsewhere than at the head office, and for that purpose may acquire the tenancy of any premises, or, with the consent of the Council of the City of Birmingham, may purchase or erect any premises. The committee of management may close any branch office in case they shall think it desirable to do so, and may, with the like consent, re-sell any premises so purchased or erected as aforesaid.

14. *Hours and days of business.*

The offices of the bank shall be open for the transaction of business upon such days and during such hours as the committee of management may from time to time appoint, but such offices shall not be opened on any Sunday, bank holiday, or public holiday. The days and hours of opening shall be posted in a conspicuous place at each office.

15. *Declaration of secrecy by officers, etc.*

Every officer of or person employed in the bank or otherwise concerned in carrying out its business, shall make a declaration of secrecy before taking office. No officer of the Corporation and no member of the Corporation or the committee of management, or any person engaged in the work of the bank, shall without legal authority disclose any information relating to the account or accounts of any depositor or house purchaser.

16. *Priority of debts from officers, etc.*

If any person appointed to any office or employment in the bank and being entrusted with the keeping of the accounts or having in his hands or possession by virtue of his said office or employment any moneys or effects belonging to the bank or any deeds or securities relating to the same dies or is adjudged bankrupt or makes a composition or arrangement with his creditors or if any writ of execution or other process is issued against his property any debts due from him to the Corporation by virtue of his office in the bank shall, notwithstanding anything in any enactment to the contrary, be paid in priority to all other debts including the debt for which the process is issued.

17. *Failure to account on part of officers, etc.*

If any officer of the bank receives money from or on account of a depositor or a person intending to be a depositor or from any house purchaser registered in the bank as such and does not forthwith account for and pay over that money to the Corporation or otherwise as directed by these regulations he shall be guilty of a misdemeanour.

18. *Prohibition of private profit on part of officers, etc.*

No person or persons being the treasurer or a member of the Corporation or committee of management of the bank or having any control in the management of the bank shall derive any benefit from any deposit made therein otherwise than as a depositor, save only and except such salaries and allowances or other necessary expenses as shall according to these regulations be provided for the charges of managing the bank and for remuneration to officers employed in the management thereof, exclusive of the treasurer or committee of management or other persons having direction in the management who shall not directly or indirectly have any salary, allowance, profit or benefit whatsoever therefrom beyond their actual expenses for the purpose of the bank.

19. *Security from officers.*

Every treasurer, manager or cashier, and every person receiving any allowance for his services (excepting supernumerary assistants employed at the periods of balancing the accounts) shall give good and sufficient security for the just and faithful execution of his office or trust. Such security shall be approved by the Corporation and may be given by bond of a guarantee society.

20. *Stamp duty.*

Except in the case of a mortgage deed referred to in Regulation 79 hereof, stamp duty shall not be chargeable on any instrument or document made or given in pursuance of these regulations, including a vacating receipt given under the provisions of section 42 of the Building Societies Act, 1874, for the purpose of effecting the discharge of a mortgage under regulation 88 hereof.

21. *Bankers' Books Evidence Act.*

The bank shall be a bank within the meaning of the Bankers' Books Evidence Act, 1879, and that Act shall apply accordingly.

## DEPOSITORS' DEPARTMENT.

22. *By whom deposits may be made.*

- (1) Deposits may be made by and in the name of—
  - (a) a person of full age and not under legal disability ;
  - (b) a married woman ;
  - (c) a minor of the age of seven years or upwards.
- (2) Deposits may be made on behalf and in the name of—
  - (a) a minor under seven years of age by one of the parents of such minor or by any other person ;
  - (b) a person of unsound mind by the committee of his estate.
- (3) Deposits may be made—
  - (a) in the joint names of two or more persons entitled to make a deposit ;
  - (b) in the name of one person as trustee for another person whose name shall also be entered in the title of the account.
- (4) Deposits may be made—
  - (a) by a friendly society through its trustees either in the name of such society, or in the names of such trustees, the full name of the society being entered in the title of the account ;
  - (b) by the trustees or treasurer of a charitable society ;
  - (c) by the trustees or treasurer of a trade union ;
  - (d) by the trustees or treasurer of a society incorporated under the Building Societies Acts, 1874 to 1896, or any Acts amending the same, a society incorporated under the Industrial and Provident Societies Act, 1893, or any Act amending the same, or (subject to the approval of the committee of management in each case) in the name of any other body corporate, or in the name of a corporation sole ;
  - (e) by the trustees or treasurer of a penny savings bank or school savings bank ;
  - (f) by the Public Trustee in respect of any estate which he is administering or for which he is acting as custodian trustee, or as an ordinary trustee, or on behalf of any person for whom he is acting as trustee.

23. *Provision as to several accounts.*

Nothing in the Act or the regulations shall operate so as to prevent—



- (1) a depositor in addition to having his own account making deposits in the name of any person as trustee for another person also named in the title of the account ;
- (2) a depositor in addition to having his own account making deposits in his capacity as trustee or treasurer of a friendly society, charitable or provident institution, trade union, or building society ;
- (3) a depositor in addition to having his own account having an account therein as an executor, administrator, or other personal representative ;
- (4) The Public Trustee having a separate account.

24. *Procedure on making deposits.*

All persons before becoming depositors in the bank must state their full names and addresses, and give such other information as the committee of management may direct.

25. *Minors under seven years of age.*

In the case of a minor under the age of seven years such information must be supplied to the manager as the committee of management may deem requisite, including the date upon which the minor will attain the age of seven years.

26. *Persons of Unsound Mind.*

In the case of a person of unsound mind, the committee of his estate shall furnish the manager with such information relating to the person in respect of whose estate or property he possesses powers and his authority to act as committee as the committee of management may direct.

27. *Joint accounts.*

In the case of joint accounts, all parties to the account shall give to the manager such information as the committee of management may deem necessary.

28. *Trust accounts.*

In the case of accounts made out in the name of one person as trustee for another, the full names and addresses of the trustee and the person for whom he is acting shall be supplied to the manager.

29. *Friendly Societies and Trade Unions.*

In the case of a first deposit made by the trustees of a friendly society or by the trustees or treasurer of a trade union there shall be forwarded to the manager of the bank—

- (a) A printed copy of the rules of the society or union ;
- (b) An application signed by the trustees or treasurer, for authority to make deposits, specifying by what officers or members of the said society or union it is proposed moneys deposited may be withdrawn from time to time, and bearing and containing all such signatures and other information as the manager may require.



Such trustees or treasurer may, by direction in writing signed by them or him, from time to time amend the said application so far as relates to the specification of the officers or members of the society or union by whom the deposits of the society or union may be withdrawn, and may strike out the names of any officers or members previously specified, and specify other officers or members in lieu thereof or in addition thereto.

Where a friendly society or trade union is at the time of making a first deposit, or subsequently becomes, a branch of a larger friendly society or union, any officers of the central body or of any other branch of the larger society or union may be specified as the persons by whom deposits may be withdrawn.

### 30. *Charitable Societies.*

In the case of a first deposit made by the trustees or treasurer of a charitable society, there shall be forwarded to the manager of the bank—

- (a) A copy of the rules of the society, or if there be no rules, a statement of the objects, constitution and character of the society.
- (b) An application, signed by the trustees or treasurer of the society, for authority to make deposits, specifying by what officers or members of the society it is proposed the moneys deposited may be withdrawn from time to time, and bearing and containing all such signatures and other information as the manager of the bank may require.

The trustees or treasurer of a charitable society may, by direction in writing signed by them or him, from time to time amend the said application so far as relates to the specification of the officers or members of the society by whom the deposits of the society may be withdrawn, and may strike out the names of any officers or members previously specified, and specify other officers or members in lieu thereof or in addition thereto.

### 31. *Public Trustee.*

In the case of a first deposit made in the name of the Public Trustee, there shall be forwarded to the manager of the bank an application signed by the Public Trustee or by some person who is authorised by him in writing to act on his behalf in opening accounts and whose signature is authenticated to the satisfaction of the manager of the bank. The title of each account opened by the Public Trustee shall specify on behalf of what estate or person the account is opened.

### 32. *Pass books.*

Every depositor shall, on making his first deposit, receive a pass book, in which his deposit and all future deposits and repayments shall be entered. Such pass book must be produced at the bank whenever any business is transacted and exhibited once at least in every year and also whenever required by the manager :

Provided that where deposits are made by a firm on behalf of an employee an advice from the firm can be taken as authority to enter deposits, the pass book being subsequently entered up on its next presentation by the depositor.

Every depositor on being granted an advance in respect of house purchase, shall receive a separate pass book, in which all payments made by him shall be entered ; such pass book must be presented for examination by the auditor or auditors or by the manager as and when required.

Each pass book shall be the depositor's receipt and voucher, and its production by the depositor, or other person authorised in writing by the depositor, in the absence of any previous written claim to any deposits entered therein, shall be at all times a sufficient authority for the repayment of any such deposits.

Two or more officers of the bank shall be parties to every transaction of the depositor, so as to form a double check on every such transaction.

### 33. *Lost pass books.*

In the event of any depositor losing his pass book, he must give notice thereof forthwith to the office where his account is kept ; and within one month from that notice, should the original pass book not be recovered, a new pass book shall be issued to him (on payment of such sum as the committee of management may direct, not exceeding one shilling) showing the balance in his account at the time of issue of the new pass book.

### 34. *Postal transactions.*

Deposits may be made through the post at the depositor's own risk and expense, and on the written request of the depositor made on the prescribed form, accompanied by his pass book, payments will be made by cheque, money order or postal order through the post to the address mentioned in such request at the risk and expense of the depositor.

### 35. *Deposits.*

Subject to regulation No. 36, the bank may receive any sum from one penny upwards by way of deposit.

### 36. *Limitation of deposits.*

Subject to regulation No. 37, the bank shall not receive from any person by way of deposit in any bank year any sums exceeding in the aggregate five hundred pounds, whether any sum has been previously withdrawn within that year by that person or not : Provided that a depositor may, not more than once in any bank year, deposit money to replace money previously withdrawn in one entire sum during that year.

### 37. *Exceptions to limitation of deposits.*

(1) The limitation on the amount of annual deposits imposed by regulation No. 36 shall not apply to deposits made

- (a) by a friendly society duly registered under the Acts relating to friendly societies, or by a registered branch of such a society ;
- (b) by a society under the Building Societies Acts ;
- (c) by a society registered under the Industrial and Provident Societies Act, 1893, being a society entitled to exemption from income tax under sub-section (4) of section thirty-nine of the Income Tax Act, 1918 ;
- (d) with the approval of the National Debt Commissioners and subject to any regulations prescribed by them in that behalf, by the trustees or treasurers of any charitable or provident institution or society, or charitable donation or bequest for the maintenance, education or benefit of the poor, or of any penny savings bank in Great Britain or Northern Ireland ;
- (e) by the Public Trustee.

(2) In computing for the purposes of these regulations the amount deposited by any person in any one bank year, there shall not be taken into account any sum transferred from the account of a deceased depositor.

(3) Nothing in these regulations shall operate to render unlawful any deposit of whatsoever amount lawfully made before the date on which these regulations shall come into operation.

### 38. *Refusal to receive deposits.*

The Corporation may refuse to receive deposits or grant transfers when deemed expedient, and may return deposits to any depositor, society or other body on giving one month's notice, the interest on such deposits to cease at the expiry of such notice.

### 39. *Interest on deposits.*

- (1) The rate of interest payable on deposits shall be subject to the approval of the Treasury, and shall not be varied by the Corporation except after giving three months' notice to the depositors. Interest shall be allowed on every complete pound deposited at the rate of three pounds ten shillings per centum per annum.
- (2) Such interest shall be computed yearly up to the last day of the bank year, and shall be placed to the credit of the depositor. The interest so credited shall become part of the principal and shall carry interest in like manner as a deposit. If an account is closed before the last day of any bank year, the interest due shall be paid with the principal.

### 40. *Guarantee of interest and repayment of deposits.*

The fund to be charged under the Act for the purpose of guaranteeing the payment of interest on and the repayment of deposits shall be the borough fund.

### 41. *Withdrawals of deposits.*

Repayment of deposits may be made on demand at the head office to an amount not exceeding thirty pounds in any week, or at

any branch office to an amount not exceeding five pounds in any week, but no depositor shall, as a matter of right, be entitled to repayment of any sum whatever without giving notice of intended withdrawal as may be prescribed from time to time by the committee of management.

Repayment of deposits can only take place at the office where the account is kept.

For all sums over thirty pounds repayable at head office or five pounds at a branch office, one week's notice should be given, but in cases of emergency the manager in his discretion may sanction a shorter period of notice.

Notices of withdrawal shall in all cases state the amount intended to be withdrawn, and may be given verbally, or by letter signed by the depositor and addressed to the bank at the office where the depositor's account is kept. Any notice of withdrawal which is not acted upon within three days after the termination of the period of notice will be treated as cancelled and of no effect.

42. *Withdrawals from accounts of minors.*

(1) An application for the withdrawal of money deposited by or in the name of a minor may be made by such minor if of the age of seven years or upwards.

(2) Upon such application payment may be made to such minor, and his receipt shall be a good discharge to the Corporation for sums so paid.

(3) The committee of management may authorise the payment of any sum in the name of a minor under the age of seven years to the parent or guardian of the minor upon being satisfied that such parent or guardian will apply such sum for the benefit of the minor, and the receipt of such parent or guardian shall be a good discharge to the Corporation for sums so paid.

43. *Withdrawals from accounts of persons of unsound mind.*

(1) An application for the withdrawal of money deposited in the name of a person of unsound mind shall be made by the committee of the estate of such person.

(2) Upon such application payment shall be made to such committee, and his receipt shall be a good discharge to the Corporation for sums so paid.

(3) Where a depositor is insane and no committee of his estate has been appointed, the committee of management may when it is proved to their satisfaction that it is just and expedient so to do, pay the deposits standing in the name of the depositor, or any part thereof, to any person whom they shall judge proper to receive the same, and the receipt of such person shall be a good discharge to the Corporation for the sums so paid.

44. *Withdrawals from joint accounts.*

An application to withdraw money deposited in the joint names of two or more persons shall be made by either or any of such

persons upon a written authority from the other or others, or by the survivor or survivors among such persons, and the receipt of such authorised person or persons, or such survivor or survivors, shall be a good discharge to the Corporation for sums so paid. In the absence of such authority the application shall be made and the receipt given by both or all such persons.

45. *Withdrawals from trust accounts.*

An application to withdraw money deposited in the name of one person as trustee for another person shall be made jointly by all the persons named in the title of the account or by the survivor among such persons, and the receipt of such persons or the survivor thereof shall be a good discharge to the Corporation for sums so paid.

The committee of management may require proof of survivorship to their satisfaction.

46. *Payments in cases of insanity or bankruptcy.*

Where a depositor named in a trust account has become insane or bankrupt the committee of management may, when it is proved to their satisfaction that it is just and expedient so to do, pay the deposits to the other person named in such account, with or without the concurrence of the committee of the estate or official receiver or trustees in bankruptcy (if any) of the depositor who has become insane or bankrupt, and the receipt of such person shall be a good discharge to the Corporation for sums so paid.

Where either a receiving order has been made in respect of the property of a sole depositor, or a trustee in bankruptcy of the property of a sole depositor has been appointed, the committee of management may, when it is proved to their satisfaction that it is just and expedient so to do, pay the deposits standing in the name of such depositor or any part thereof to the official receiver or trustee in bankruptcy, as aforesaid, and upon such evidence of the appointment as the committee of management may require. The receipt of such official receiver or trustee in bankruptcy shall be a good discharge to the Corporation for sums so paid.

47. *Withdrawals by Friendly Societies and others.*

An application to withdraw money deposited in the name of a friendly society, charitable society or trade union shall be made by the person or persons for the time being recognised by the committee of management as entitled to withdraw such money.

The committee of management may, in their absolute discretion, require proof to their satisfaction of the identity of the person or persons and of their authority to withdraw the deposits of the society or union.

The receipt of the person or persons so entitled or named shall be a good discharge to the Corporation for sums so paid.

48. *Withdrawals by the Public Trustee.*

An application to withdraw any money standing in the name



of the Public Trustee, whether alone or as joint trustee or joint executor with some other person or persons, shall be signed by the Public Trustee, and may be signed by him alone.

The committee of management may require proof to their satisfaction that any application for withdrawal is signed by the Public Trustee, or by any officer of the Public Trustee, duly authorised by him for the purpose.

The signature of an officer of the Public Trustee duly authorised by him in writing to sign applications on his behalf shall for the purpose of this regulation be deemed to be the signature of the Public Trustee. Any such authority as in this regulation mentioned shall be lodged with the manager of the bank at least forty-eight hours before any application signed by virtue of that authority is presented.

49. *Authority for payment to third party.*

An authority to receive an amount from the account of a depositor must be given either by power of attorney, duly executed in the presence of a witness, or by a letter or order.

Where the depositor is abroad, and is not serving in the Army or Navy, the power of attorney must be executed or the letter or order signed in the presence of a notary public, or of the British consular authority, or the duly appointed British chaplain, or some constituted authority of the place in which such person is residing.

Where the depositor is serving in the Army or Navy, the power of attorney may be executed or the letter or order signed in the presence of a commissioned officer of his regiment or ship.

Where the depositor is at sea, the power of attorney must be executed, or the letter or order signed, in the presence of the master or officer in charge of his vessel.

The committee of management may, at their discretion, in any case in which they think fit, dispense with the attestation of the signature of any such letter or order as referred to in this regulation.

Any such letter or order as is mentioned in this regulation shall be in such form as the committee of management may approve, and may be signed by a minor if he has attained the age of seven years.

Any document signed by a minor in accordance with this regulation shall be valid and binding upon him, as if being of full age, he had signed such a document.

Where a power of attorney, or any such letter or order as in this regulation mentioned, authorises payment to be made to one or more persons, trading under any style or firm, or to a body corporate, or corporation sole, the signature of any person purporting to be a member of such firm or body corporate, or to be an officer thereof, or of the corporation sole, shall be a good discharge to the Corporation for sums so paid.

This regulation shall not apply to moneys deposited in the name of the Public Trustee either solely or jointly with other names.

The committee of management shall in no case be responsible for the misapplication of any sum paid on an application or under an order given by any friendly society, charitable society, trade union, body corporate, or corporation sole, or by any trustees, directors, officer, or representative of any such society, union, body, or corporation, or the Public Trustee, or any officer of the Public Trustee, or person authorised by the Public Trustee to receive payment of the sum mentioned.

50. *Transfers from one office to another.*

Any depositor may transfer his account from head office to any branch office, or vice versa, or from one branch office to another, upon giving written notice of his desire to do so, which notice must be sent to the office at which the account is kept.

51. *Alteration in titles of accounts.*

Where deposits have been made in the name of one person as trustee for another person whose name is also entered in the title of the account, upon the application of such last-named person, the committee of management may, subject to the award of the Chief Registrar of Friendly Societies, remove the name of the trustee from the title of the account, and may substitute the name of another trustee in the place thereof, or may enter the account in the name of the person on whose behalf the deposits were made.

Where deposits have been made in the joint names of two or more persons whose names are all entered in the title of the account, upon the application of all such persons or the survivors or survivor of them, the committee of management may, in case they should deem it just and expedient so to do, remove the name or names of one or more of such persons from the title of the account, and may substitute the name of another, or others, in the place thereof, provided the consent, in writing, of such person or persons whose name or names it is desired to substitute be first obtained.

In any case provided for by this regulation, the receipt of all persons named in the title of the account, as altered in manner provided by this regulation, shall be a good discharge to the Corporation for any sums standing to the credit of the account.

52. *Nominations.*

Subject to the provisions of these regulations, a depositor at the age of sixteen years or upwards may nominate any person to receive any sum due to such depositor at his decease, but a depositor may not have more than one nomination in force at any time, provided nevertheless that the committee of management may, in their absolute discretion, refuse to accept or register any nomination.

53. *Requirements of a nomination.*

Every nomination shall be in writing in the prescribed form which may be obtained from the manager of the bank, and shall be signed by the depositor in the presence of a witness, and shall be sent by post or otherwise to the manager during the lifetime of the depositor.

54. *Registration of nomination.*

Every such nomination shall be registered by the manager in a book to be kept for the purpose, and returned to the depositor.

55. *Revocation of nomination.*

(1) Any such nomination shall be revoked by the death of the nominee in the lifetime of the depositor or by the marriage of the depositor subsequent to the making of the nomination, or by written notice of revocation signed by the depositor in the presence of a witness (who must also sign the notice) and sent for registration in accordance with the provisions of this regulation, or by any subsequent nomination made by the depositor.

(2) Any such written notice of revocation shall be sent by post or otherwise to the manager of the bank during the lifetime of the depositor, and shall be registered by the manager in like manner as in the case of a nomination.

(3) Any such nomination shall not be revoked by any will or by any events or means other than those specified in this regulation.

(4) Where the Corporation have paid money to a nominee in ignorance of the fact that the depositor has married subsequently to the making of the nomination, the receipt of the nominee shall be a valid discharge.

56. *Scope of nomination.*

Except where otherwise stated, any such nomination shall (subject to the provisions of these regulations) be deemed to extend to all sums to which a depositor is entitled at the time of his decease, but a depositor may in a nomination expressly exclude any of such sums from the operation of such nomination.

57. *Division of sums nominated.*

A nomination may be in favour of one person or of several persons (who shall be clearly designated in the nomination), and in the latter case may direct that specific sums shall be paid to one or more of the persons named in the nomination, or that the persons named in such nomination may take the deposits nominated in specified shares, or may give directions to both effects.

58. *Witness to nomination disqualified from taking under it.*

No person who witnesses a signature of a depositor to a nomination shall take any benefit under such nomination.

59. *Operation of nomination.*

Subject to the provisions of these regulations, where the Corporation have no notice of the claim of any creditor of the



depositor, the committee of management shall, on the production to the manager of a nomination made by such depositor, registered by the manager and in force at the time of the depositor's death, pay the persons named in any such nomination according to the directions therein contained, notwithstanding the production of the will of the deceased depositor or letters of administration to his estate, and the receipt of any person so named who has attained the age of sixteen years shall be a good discharge to the Corporation for the sum so paid.

60. *Payment of debts out of nominated deposits.*

Where on the death of a depositor who has made a nomination the Corporation have notice of a claim of any creditor against the estate of such depositor and such estate apart from the amount nominated is not sufficient to satisfy such claim, the committee of management may in their discretion apply the amount nominated in or towards the satisfaction of such claim ; but, subject as aforesaid, any payment made by the committee of management to the nominee shall be a valid payment, and the receipt of the nominee shall be a good discharge to the Corporation for a sum so paid.

61. *Payment for the benefit of a nominee under sixteen.*

Where any person nominated to receive any sum on the death of a depositor is a minor under the age of sixteen years, the committee of management, when it is proved to their satisfaction that it is just and expedient so to do, may pay the sum mentioned in the nomination, or any part thereof, to the parent or guardian of such minor, and the receipt of such parent or guardian shall be a good discharge to the Corporation for the amount so paid.

62. *Death of a nominee after death of a depositor and before payment.*

Where any person named in any nomination made before, on, or after the date upon which these regulations come into operation, and in force at the time of the death of the depositor by whom it was made, dies after the death of such depositor but before the committee of management have paid such nominee, the provisions of these regulations shall, subject to the provisions of regulation 60 hereof, apply to such nominee and to the sum payable to him as nominee as if at the date of his death such deceased nominee were a depositor in the bank and the said sum were deposited in his name in an account in the bank.

63. *Nominations made prior to the date upon which these Regulations come into operation.*

Nothing in these regulations contained shall invalidate or prejudice in any way any nomination made prior to the date upon which these regulations come into operation.

Any nomination made prior to the date upon which these regulations come into operation shall be governed (subject nevertheless to the provisions of regulation 62 hereof) in all respects by

the Birmingham Municipal Bank Rules, 1919, and such rules shall remain in force in all respects in relation to any such nomination accordingly.

64. *Proof of death of depositor.*

The committee of management may require proof to their satisfaction of the decease of a depositor.

The committee of management may accept as conclusive proof of the death of a depositor and of the date of the death of a depositor, such statement or information as the committee of management may, in their absolute discretion, think fit, and a statement or information to their satisfaction that a depositor has not been heard of for a period of seven years or more may be accepted by them as conclusive proof of the death of such depositor. Any payment which may be made under these regulations in reliance on such statement or information as aforesaid shall be a good discharge for the sum paid, notwithstanding that the depositor may be, in fact, alive at the time of such payment. In this regulation and in regulation 65 hereof the expression "depositor" includes any person beneficially interested at any time in the personal estate of a deceased depositor, or who, in certain circumstances, would be or would have been beneficially interested at any time in his personal estate of a deceased depositor.

65. *Law applicable on death of depositor.*

In the event of the death of a depositor, any payment under these regulations made in accordance with the law of the place in which the depositor resided at the date of his death shall be a good discharge for the sum so paid, unless express notice in writing that the depositor was domiciled elsewhere shall have been received by the committee of management prior to such payment, and for the purposes of this regulation the committee of management may accept as conclusive proof of the place of residence of a depositor at the date of his death such statement or information as the committee of management may in their absolute discretion think fit.

66. *Payment of deposits of deceased depositor not exceeding £100.*

(1) Where the whole amount due to a depositor at the time of his decease does not exceed one hundred pounds exclusive of interest, and probate of the will of such depositor is not, or letters of administration to his estate are not produced within such time as the committee of management think reasonable, if such depositor has made no nomination, or so far as any nomination does not extend, the committee of management may without requiring probate of the will or letters of administration to the estate of the deceased depositor, in their discretion pay or distribute the amount so due as aforesaid or any part thereof to or among the person or persons, or any one or more of the persons (exclusively of the others) who shall in the opinion of the committee of manage-

ment establish a valid claim to the said amount or any part thereof under any of the following descriptions, that is to say :—

- (a) A person who has paid the funeral expenses of the depositor.
- (b) A creditor of the depositor.
- (c) A person appearing to the committee of management to be beneficially entitled according to the statutes of distribution or at common law, or under any approved will, codicil or testamentary disposition to the personal estate of the depositor or to any interest or interests therein, or to any specific or general portion or portions thereof.
- (d) A person entitled to take out probate of the will or letters of administration to the estate of the depositor.
- (e) A person undertaking to maintain any person who by reason of any incapacity whatsoever (including infancy or minority) is unable to give the Corporation a legal discharge for the moneys or for a share of the moneys of a deceased depositor due under this regulation to the person who is unable to give a legal discharge as aforesaid.
- (f) In the case of foreign seamen, the consular authority of any country with whom a treaty has been made relative to the payment of moneys due to such seamen.
- (g) In the case of foreign subjects, including foreign seamen in cases in which the preceding paragraph is not applicable, the consular authority of the country to which the depositor belongs, or such other consular authority as may appear to the committee of management to be appropriate, on such assurance as to the ultimate disposition of the deposits as is satisfactory to the committee of management.
- (h) In the case of British subjects whose relatives reside outside the British Islands, such officer or authority as shall appear to the committee of management to be suitable to dispose of the deposits in accordance with the appropriate law.
- (i) The Solicitor to the Treasury if the estate of the depositor has devolved upon the Crown.
- (j) The Solicitor to the Duchy of Lancaster if the estate of the depositor has devolved upon that Duchy.
- (k) The Solicitor to the Duchy of Cornwall if the estate of the depositor has devolved upon that Duchy.

In making such payment as aforesaid, the committee of management shall have regard to the rules of law regulating the distribution of the estates of deceased persons, but they may, nevertheless, when they consider that injustice, hardship, or inconvenience would result from adherence to such rules, pay and distribute the amount due to the deceased depositor in accordance with an award of the Chief Registrar of Friendly Societies in the matter.

(2) The receipt of any person to whom payment may be made under this regulation or under regulation 62 hereof shall be a good discharge to the Corporation for the sum so paid, and any such

receipt may be signed by any such person above the age of sixteen years, notwithstanding that such person has not attained the age of twenty-one years.

In this regulation the expression "Statutes of Distribution" includes any Act or Acts of Parliament relating to the distribution of the personal estates of persons dying wholly or partially intestate.

67. *Estate, succession, and legacy duties.*

(1) If the total property of the deceased depositor exceeds one hundred pounds after deduction of debts and funeral expenses, any sum which may, under these regulations, be paid to a survivor in the account or otherwise than to the legal personal representative of the depositor, shall, notwithstanding such payment, be for the purposes of estate duty, treated as passing under the will or intestacy of the deceased depositor.

(2) The committee of management shall, before making any payment in respect of deposits standing to the credit of a deceased depositor (either alone or jointly with any other depositor), to any but the legal personal representative of such deceased depositor or to the Public Trustee, require a declaration by the claimant or one of the claimants, or by the survivor or survivors in the account (or other evidence to the satisfaction of the committee of management) that the total estate of the deceased depositor, including the amount of such deposits, does not, after the deduction of debts and funeral expenses, exceed the value of one hundred pounds.

(3) In every such case as aforesaid where the total estate of the deceased depositor, including such deposits, but after deduction of debts and funeral expenses, exceeds one hundred pounds, the committee of management shall, before making any payment to any survivor in the account, or to any person other than the legal personal representative of the deceased depositor or to the Public Trustee, require production of a certificate from the Commissioners of Inland Revenue of the payment of the estate duty and of a duly stamped receipt for the succession or legacy duty payable in respect of such deposits, or of a certificate stating that no succession or legacy duty is payable.

Provided, nevertheless, that in the case of an account opened or held under regulation 22 (3) (b) hereof, the preceding sub-clauses of this regulation shall not apply in respect of such account on the death of the person named therein as trustee.

68. *Settlement of disputes.*

(1) If any dispute arises between the Corporation and any depositor in the bank, or any person claiming to be entitled to any money deposited in the bank, the matter in dispute shall be referred to the Chief Registrar of Friendly Societies.

(2) On any such reference being made, the Chief Registrar may proceed, *ex parte*, on notice in writing, sent by post to the Corporation, and may inspect any books of the Corporation which relate to the matter in dispute, and may administer oaths to any

witnesses appearing before him, and his award on the matter in dispute shall be final and binding on all parties.

69. *Charge on award by Chief Registrar.*

There shall be charged on any award made under the preceding regulation by the Chief Registrar the same fee as is payable in like circumstance in the case of savings banks under the Treasury Warrant of April 9th, 1921, and any fee so charged shall be paid into the Exchequer, and shall be paid by such persons and in such manner as is directed by the said warrant.

70. *Indemnification of Corporation.*

When any payment is made or act done by the Corporation in accordance with the Act or these regulations, they shall be indemnified against all claims on the part of any person in respect of such payment or act, but any person may, nevertheless, recover any sum lawfully due to him from the person to whom the Corporation have paid the same.

71. *Investment of funds.*

All moneys received from the depositors (excepting such sums as from time to time shall necessarily remain in the hands of the manager or other officers of the bank to answer the exigencies of the bank) shall be paid over to the treasurer of the bank, and it shall be the care of the Corporation to see that so much thereof as is not required to meet the demands of depositors and to meet current liabilities is forthwith invested agreeably to the provisions of the Act or (if the Corporation think fit) is placed on deposit with the Corporation at call, or invested in such securities as the Corporation with the consent of the Treasury may determine.

72. *Audit of accounts.*

The committee of management shall appoint annually one or more chartered or incorporated accountants, but not out of their own body, as auditor or auditors to audit and examine once at least in every year the books, securities and vouchers of the bank, to certify as to the correct amount of the assets and liabilities of the bank and to report in writing to the committee of management the result of such audit as and when directed by the committee of management. Such auditor or auditors shall *inter alia* compare with the ledgers the pass books of depositors, as presented to them, so that the number of comparisons made in the year be not less than ten per cent. of the total number of books extant at the time, and shall examine an extracted list of depositors' balances made up every year. A book containing such extracted list of every depositor's balance deposited at the branch of the bank at which such book is open to inspection, omitting the name but giving the distinctive number and separate amount of each, and showing the aggregate number and amount of the whole, checked and certified by such auditor or auditors, shall be open at every branch at all times during the hours of business for the inspection of any



depositor respecting his own account. Such auditor or auditors shall, when required, render to the committee of management a list of work done in the course of audit. This regulation shall apply to the books and accounts of the housing department, as well as to the other books and accounts of the bank. The auditor or auditors shall examine and compare all securities and title deeds of property mortgaged to the bank with the registers of securities and title deeds at least once in every year.

73. *Annual report and statement of account.*

An annual report and statement of account showing the financial position of the bank shall be prepared in such manner as the committee of management may direct. Copies of the last annual report and financial statement as certified by the auditors, together with a list of the members of the committee of management and the principal officers of the bank, shall be exhibited in a conspicuous position at the head office and all branch offices, for the information of depositors, and every depositor shall be entitled to receive a printed copy thereof.

74. *Alteration of Regulations.*

The Treasury or, on the recommendation of the committee of management, the Corporation, may from time to time alter or rescind all or any of the then existing regulations of the bank, or prescribe any new regulations in conformity with the statutes for the time being relating to the bank, but no alteration or rescission of regulations or new regulations shall come into force until approved by the Treasury and the Chief Registrar of Friendly Societies.

75. *Winding up.*

The Corporation, acting by the Council of the City of Birmingham, may at any time pass a resolution intimating their desire to discontinue the operations of the bank, whereupon every depositor shall receive the moneys deposited by him with interest due thereon, and the bank shall forthwith be wound up in the manner to be prescribed by the committee of management.

## HOUSE PURCHASE DEPARTMENT.

76. *Procedure on application.*

Any depositor desiring to purchase or acquire a dwelling-house or dwelling-houses in the City of Birmingham, or any interests therein, must fill up an application form giving particulars of the property, the nature of his interest, the amount of the advance applied for, and such other information as the committee of management may require.

77. *Extent of advance to be made.*

The committee of management reserve to themselves the right to determine to what extent an advance may be made, and under what conditions, but in no case shall an advance be made which

exceeds 80 per cent. of the market value of the property or interest as ascertained by the bank's valuer, or for a longer period than 20 years, except in special cases where the committee of management are of opinion that the amount or period may be varied.

78. *Valuation of property.*

The property in respect of which an advance is applied for shall be valued by the person or persons appointed by the committee of management for that purpose, and the valuation fee paid to the bank by the depositor.

79. *Mortgage deed.*

All property, on the security of which an advance is made, shall be mortgaged to the bank until the advance or any other payment under these regulations be repaid, and such mortgage deed shall be prepared by the Town Clerk, as solicitor to the bank, and for that purpose shall be in such form and contain such powers, covenants, stipulations and conditions as such solicitor shall consider necessary and proper.

80. *Copy of mortgage deed.*

Every depositor to whom an advance is made may have, at his own expense, a copy of his mortgage deed delivered to him, certified by the signature of the solicitor.

81. *Prior mortgage.*

No advance shall be made by the bank to a depositor upon property which is already subject to a mortgage other than to the bank.

82. *Interest on advances.*

Interest on advances shall be charged at such rate per pound per month on the balance outstanding as the committee of management may from time to time determine, but in the case of an advance already made the rate of interest in force at the time the advance was made shall not be exceeded.

83. *Repayment of advance.*

The repayment of the advance, with interest thereon, shall be made by such monthly payments as will pay off the total indebtedness within the period for which the loan was granted, the first payment becoming due one calendar month after the completion of purchase, and subsequent payments shall continue to become due each calendar month thereafter until the advance is paid off. Payments shall be first appropriated in satisfaction of all interest which may be due, and any surplus shall be applied in discharge of arrears of principal.

Nothing in this regulation shall operate so as to prevent a depositor making repayments of principal in advance, and thus reducing his indebtedness, whereupon no further repayment of principal shall be due from the depositor until the expiration of the

period covered by the excess payments, but interest on the balance outstanding will become due from month to month.

Nothing in this regulation shall take away the right of the depositor to pay off his entire indebtedness before the expiration of the period fixed for the repayment.

84. *Failure to make repayments.*

Any depositor failing to make the minimum repayment agreed upon according to the dates fixed for such repayments to be made shall pay interest on the arrears at such rate as the committee of management may direct.

85. *Insurance.*

All property mortgaged to the Corporation shall be insured against fire by the manager in the name of the depositor and the Corporation, or in accordance with the provisions of the title deeds for such a sum as may be set forth in such deeds or as the committee of management may determine, and the premiums in respect of such insurance, which shall be paid by the Corporation in the first instance, shall be debited to the account of the depositor or be repaid by him.

86. *Application of money received from insurance company.*

In case any property so insured shall sustain damage by fire, the money payable by the insurance company shall be applied in discharge of any sums owing by the depositor to the Corporation, or, at the option of the committee of management, in repairing or reinstating the property destroyed or damaged by fire. Any surplus remaining after all arrears and expenses have been deducted shall be paid to the depositor.

87. *Ground rents and other payments.*

All ground rents and other payments in respect of property mortgaged to the Corporation shall be paid when due by the depositor, who shall produce to the bank, if required, the receipt for the payment within thirty days from the date on which the charge is payable. In case of failure to produce the receipt the Corporation may pay such charge, which shall be debited to the account of the depositor or be repaid by him.

88. *Discharge of mortgage.*

On full payment of the advance, with interest and all other charges legally due, the depositor shall be given all title deeds and any other documents relating thereto which may be in possession of the Corporation, together with a legal discharge of the mortgage.

89. *Power of inspection.*

The committee of management, or any officer of the bank appointed for the purpose, shall have power to inspect any house in respect of which an advance has been made, at all reasonable times, for the purpose of ascertaining whether the conditions laid down are being complied with.



90. *Depositor in arrear.*

In case of any depositor being in arrear with such an amount as represents the total of three monthly instalments of principal, the Corporation shall have power to take possession of the property. But the committee of management shall have power to suspend or modify the repayments of a depositor for such period as they shall determine on his showing satisfactory reasons for requiring such suspension or modification.

91. *Power to sell property.*

If any depositor who shall have executed a mortgage to the Corporation under the provisions of these regulations shall be desirous of selling the property, subject to the mortgage, he shall, on first obtaining the consent of the committee of management thereto, be at liberty to do so, and upon such sale being completed, such purchaser shall thenceforth become liable to make all such payments in respect of the property as may be required by these regulations. The Corporation may grant to the depositor at his own expense, a release from all future liabilities in respect thereof. The depositor shall be liable for any expenses in connection with such sale.

92. *Restriction on houses mortgaged.*

A house or houses purchased or acquired by means of an advance shall not be used for the sale of intoxicating liquors.

93. *Legal and other charges.*

The committee of management may, if they deem it advisable, charge the depositor with any legal or other charges or expenses which they may incur in connection with the mortgage or the completion thereof.

By Order,

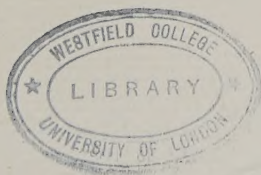
F. H. C. WILTSHIRE,  
Town Clerk.

As Approved by H.M. Treasury and the Chief Registrar of  
Friendly Societies.

16th February, 1925.



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